

CABINET

Minutes of the Cabinet meeting held in Conference Room 1, Council Offices, Ruthin on Tuesday 17 January 2006 at 10.00 a.m.

PRESENT

Councillors S A Davies, Lead Member for Business & Communications; P A Dobb, Lead Member for Health & Wellbeing; E C Edwards, Lead Member for Communities; R W Hughes, Leader and Lead Member for Regeneration; M A German, Lead Member for Children and Young People; P J Marfleet, Lead Member for Finance and Personnel; D Owens, Lead Member for Lifelong Learning; S Roberts, Lead Member for Promoting Denbighshire, and J Thompson Hill, Lead Member for Property and Asset Management.

Observers: Councillors J R Bartley; R E Barton; M LI Davies; G C Evans; C L Hughes; N Hugh Jones and M M Jones.

ALSO PRESENT

Chief Executive; Deputy Chief Executive / Corporate Director: Resources, County Clerk and the Financial Controller.

APOLOGIES

Councillor E W Williams, Lead Member for Environment.

ANNOUNCEMENT

The Corporate Director: Environment reported the sad loss of Peter Ellis, who died early in the New Year. Peter had worked as a Senior Officer for the Licensing and Trading Standards Department in Rhyl. Members and officers stood in silent tribute.

Councillor R W Hughes informed Members that a Cabinet One to One with the public would be held before the Cabinet meeting on 21 February 2006 in Ruthin.

1 URGENT MATTERS

There were no urgent matters.

2 MINUTES OF THE CABINET

The Minutes of the Cabinet meeting held on 20 December 2005 were submitted.

Item 3 Secondary Care Review: amend the last paragraph on page 3 "Councillor S A Davies expressed his concern to Mr Griffin that the Local

Authority would not be able to pay for increased service provision if smaller hospitals were closed.”

Councillor N H Jones asked the relevant officers to contact him regarding further progress on Item 12 Prestatyn: Offa’s Tavern Car Park.

RESOLVED that, subject to the above, the Minutes of the Cabinet meeting held on 20 December 2005 be approved as a correct record and signed by the Leader.

3 ASSET REVIEW PROGRAMME

Councillor J Thompson Hill presented the report seeking approval to a process to rationalise the Council’s asset base in line with service delivery needs. He thanked the Corporate Director: Environment, the Head of Development Services and the team for all their work in preparing the report.

Councillor Thompson Hill said there was currently no challenge process in place to consider the individual service asset management plans. He reported the Agricultural Estates Review Group had held its first meeting in December 2005.

Councillor P A Dobb was pleased to see the Area Elected Members’ Groups involved in the consultations and asked for an update on the consultation to date. Councillor Thompson Hill said items had been brought forward by some Ward Members in response to the consultation and also by various services. He said a major strategic review of the Authority’s asset base was required and discussion by the Cabinet Working Group following discussion with the Area Elected Members’ Group was essential.

Councillor P J Marfleet welcomed the recommendations and as a member of the Asset Management Committee he felt strongly the need for local input and supported the need for the Area Elected Members’ Group to have an input.

Councillor E C Edwards said he was delighted that assets would be discussed by the Area Elected Members’ Group and he had been an advocate for this for many years. He expressed his concern regarding any Delegated Decisions which could be taken unless they had previously been discussed by both the Area Elected Members’ Group and the Cabinet Working Group.

In response to a query from Councillor N Hugh Jones, the Head of Development Services said that relocating of allotments could be a consideration, rather than any disposals. Members agreed that stringent rules were in place regarding any such possible disposals.

RESOLVED that:

[a] *the County Council Area Elected Members’ Groups be asked to review all assets in their areas, paying attention to the collaboration agenda and also receive appropriate comments from the Cabinet Working*

Group. Reports from the Area Elected Members' Group would also go to the Cabinet Working Group

[b] Members of Cabinet meet as a Working Group to review all the assets of the County Council and identify options to produce a more sustainable asset portfolio including collaboration issues

[c] detailed reports for decision should be prepared for the Lead Member, Asset Management Committee or Cabinet as appropriate, depending on the decisions sought.

4 HOUSING REVENUE ACCOUNT BUDGET 2005 / 2006

Councillor P A Dobb presented the report for Members to note the latest financial forecast position of the Housing Revenue Account (HRA) (revenue and capital) for 2005-2006, which showed a potential net underspend of £247k at the year end, the outcome was the same as reported in November 2005. Members were asked to note the works programme was on schedule, with some variances, and good progress had been made.

The Head of Housing Services confirmed that the underspend on the heating contract was slippage which could be carried forward to the next financial year for completion of the works in the contract.

RESOLVED that Cabinet note the latest financial forecast position of the Housing Revenue Account for 2005-2006.

5 HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL BUDGETS 2006-2007

Councillor M LI Davies declared an interest in the item.

Councillor P A Dobb presented the report for Members to adopt the Housing Revenue Account Budget and Capital Programme for 2006-2007. Members were also asked to agree the rents for Council dwellings be increased in accordance with the Rent Setting Policy in Section 2.2.5 of the report (average 5.5%) from Monday 3 April 2006 and the rents for Council garages be increased by 20p per week with effect from Monday 3 April 2006.

Councillor Dobb said the previously agreed phased approach regarding rent increases was continuing to reduce anomalies whilst ensuring that no tenant would pay more than a maximum increase, whilst tenants also had a programme of improvements. The Department had also reduced staffing costs following its recent restructuring. Support for the report had been received from the Scrutiny Committee.

Councillor P J Marfleet commented that the report was robust and would be an integral part of the future decision either to transfer the stock or follow the prudential borrowing route. He felt that the housing stock business plan should be reviewed after the first three years and also that regarding Right to

Buy scheme, the Authority received much less for the houses than would have been received on the open market.

The Head of Housing Services said that under the Right to Buy Scheme, the average valuation so far in 2005-2006 was £62k, with an average discount of £16k, so properties were selling on average for £46k. Valuations were set by the District Valuer but a right of appeal exists. He agreed to report back on the valuations issues. He also confirmed that the report on future options, which was expected to come to Cabinet on 31.01.2006, would include a recommendation for a full review in three years time.

With regard to rents being equalised across the County, the Head of Housing Services said although it could take 10 years before all of the anomalies were cleared, there were only a small number significantly varying from the target rent.

It was agreed the inaccurate percentage figure for increases in garage rents be deleted from the report and the increase be agreed at 20p per week.

RESOLVED that:

[a] *the Housing Revenue Account Budget and Capital Programme for 2006-2007 be adopted*

[b] *rents for Council dwellings be increased in accordance with the Rent Setting Policy in Section 2.2.5 of the report (average 5.50%) from Monday 3 April 2006*

[c] *rents for Council garages be increased by 20p per week with effect from Monday 3 April 2006.*

6 THREE YEAR REVENUE BUDGET AND CAPITAL SETTLEMENTS FOR LOCAL AUTHORITIES IN WALES

Councillor P J Marfleet presented the report for Members to consider and agree the Authority's draft response to the Welsh Assembly Government's consultation on three year revenue and capital settlements. He said the principle of the document was good and he felt it was important for Authorities to be able to move towards an indicative 3 year rate for Council Tax but this was difficult when the settlement figures were unavailable. The Welsh Assembly Government would produce a summary of the consultation results and an action plan within 8 weeks.

The Deputy Chief Executive / Corporate Director: Resources supported Councillor Marfleet's comments. He said it was important that the Welsh Assembly gave further consideration to the policy and strategy development which needed to be in place before financial settlements could be agreed.

Scrutiny comments were reported to Members by the Deputy Chief Executive / Corporate Director: Resources :

- ◆ it was important that the Welsh Assembly Government used up to date data which would help with future figures
- ◆ budgets were fixed but some Education and Social Services work was demand driven in many instances
- ◆ too much bureaucracy for very small Community Councils
- ◆ longer term planning required which could allow transfer of some service delivery to Community Councils

Members requested that a covering letter be sent to the Assembly to emphasise the need for the Assembly to be focussing on policy and strategy development, allowing local authorities to determine operational issues.

RESOLVED that Cabinet agree Denbighshire County Council's response to the Welsh Assembly Government's consultation on three year revenue and capital settlements for Local Authorities in Wales including the comments made by Resources Scrutiny. A covering letter to be sent with the response.

7 CABINET FORWARD WORK PROGRAMME

Councillor S A Davies presented the Cabinet Forward Work Programme. It was hoped to have a report on Improving the Council Housing Stock at the Cabinet meeting on 31.01.2006.

Councillor E C Edwards said he wished to discuss the report on Beyond Area Partnerships with the Deputy Chief Executive / Corporate Director: Resources and the possibility of having the report on the February 2006 Cabinet agenda.

RESOLVED that Cabinet note the Cabinet Forward Work Programme.

8 URGENT ITEMS

There were no Part I Urgent Items.

PART II

The meeting concluded at 11.00 a.m.

REPORT TO CABINET

CABINET MEMBER: Councillor P J Marfleet, Lead Member for Finance and Personnel

DATE: 31 January 2006

SUBJECT: Revenue Budget 2005/06

1. DECISION SOUGHT

- 1.1 Members note the budget performance figures for the current financial year as detailed in the attached appendices and consider remedial actions necessary to bring Directorates' projected spending in line with available budgets.
- 1.2 Members agree earmark £50k from 2005/06 budget to be carried forward to 2006/07 to be used for the Visioning exercise's marketing requirements.

2. REASON FOR SEEKING DECISION

- 2.1 The need to deliver the Council's agreed budget strategy for the current financial year and avoid reducing already inadequate reserves.

3. POWER TO MAKE THE DECISION

- 3.1 Local Authorities are required under section 151 of the Local Government Act (1972) to make arrangements for the proper administration of their financial affairs.

4. COST IMPLICATIONS

- 4.1 This report details the latest projections of Service budget year end positions as reported by Directorates, together with information on pressures and savings within the corporate budgets. The service pressure projections are as at the end of November 2005. Corporate details are as at mid November.

The appendix details a potential underspend totalling £320k (£243k underspend last report). This excludes the schools' delegated budgets which are now reporting a pressure of £266k. The main areas of change from the last report are:

- i) Schools have identified increased pressures on SEN, premises, supplies and workload/PPA. This will be met from schools balances and is in addition to the £212k of planned expenditure that will be funded from balances.

- ii) The forecast for the Capital Financing Charges has improved showing £81k further underspend. This is due to improved cashflow from slippage in the capital plan and a change in guidance on how certain elements are to be calculated.

Other reported pressure areas remain at a similar level to the last report.

Other potential but thus far unquantifiable pressures are the impact of the Single Status Pay Review and the appeals against the recent Council Tax revaluations, both of which may exceed the assumptions within the budget.

There are further potential pressures that have not yet been fully quantified and therefore the following issues may still need to be addressed:

- 4.3 Within the Lifelong Learning Directorate work is being undertaken to identify and understand the reasons for the continuing pressure on School & College transport. It is currently difficult to assess the level of funding needed for the future.
- 4.4 It is emerging that the current Visioning exercise may well lead to a marketing requirement in terms of 'branding' the County. A budget of £50k should be sufficient and would be a one-off requirement. It could be earmarked from this year's budget to be spent during 2006/07.
- 4.5 The overall financial position has improved since last month with directorates continuing to put significant effort into identifying savings where possible.
- 4.6 These underlying issues that mean caution is still required in all budget areas. The current underspend is partly due to increased income from investments because of slippage on the capital programme. Once this slippage is caught up, that additional income will no longer be there for future years.

5. FINANCIAL CONTROLLER STATEMENT

- 5.1 Work needs to continue to take place to review service budgets and identify savings that will enable total Directorate spending to be contained within budget.

6. CONSULTATION CARRIED OUT

- 6.1 Lead Cabinet members need to continue to consult with Heads of Service to agree necessary remedial action to prevent overspends in 2005/06

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

- 7.1 Proper management of the Council's revenue budget underpins activity in all of the Council's policy areas.

8. ACTION PLAN

- 8.1 All departments undertake regular budget monitoring and will continue to identify and take advantage of savings and efficiencies.

9. RECOMMENDATION

- 9.1 That members note the figures in the appendices and
- 9.2 That members agree to earmark £50k from 2005/06 budget to be carried forward to 2006/07 to be used for the Visioning exercise's marketing requirements.

**MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
POSITION AS AT END DEC 2005**

Directorate	Budget			Projected Outturn			Variance			Variance Previous report £000s
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	
Lifelong Learning (excluding schools delegated)	28,973	-10,691	18,282	29,381	-10,823	18,558	408	-132	276	266
Environment	31,645	-11,261	20,384	31,747	-11,438	20,309	102	-177	-75	-55
Personal Services	47,678	-16,039	31,639	48,987	-17,543	31,444	1,309	-1,504	-195	-199
County Clerk	1,969	-543	1,426	2,110	-694	1,416	141	-151	-10	-10
Resources	8,167	-2,500	5,667	8,282	-2,663	5,619	115	-163	-48	-48
Corporate, Miscellaneous & Benefits	25,767	-21,952	3,815	25,983	-21,955	4,028	216	-3	213	203
Clawback of Revenue Support Grant				200	0	200	200	0	200	200
Total All Services	144,199	-62,986	81,213	146,690	-65,116	81,574	2,491	-2,130	361	357
Capital Financing Charges/Investment Income			10,891			10,210			-681	-600
Precepts & Levies			3,975			3,975			0	0
			96,079			95,759			-320	-243

Note:

The Management Accounting rules of the Council require debtor account entries to be reversed in respect of amounts outstanding for more 30 days after the due date. In the event that debts cannot be collected, services will be required to meet the cost of the debt write-off. This may impact on the actual outturn achieved by services at the year end.

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
LIFELONG LEARNING
POSITION AS AT END DEC 2005

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Previous report £000s
Individual School Budgets	50,792	-4,596	46,196	52,177	-5,503	46,674	1,385	-907	478	361
School Funds Held Centrally	15,432	-4,810	10,622	15,748	-4,955	10,793	316	-145	171	175
Non school Funding	1,947	-906	1,041	1,958	-884	1,074	11	22	33	33
Corporate Services	445	-5	440	481	-25	456	36	-20	16	-20
Leisure Services	7,102	-4,038	3,064	7,153	-4,037	3,116	51	1	52	67
Culture	3,005	-351	2,654	2,999	-351	2,648	-6	0	-6	1
Countryside	1,042	-581	461	1,042	-571	471	0	10	10	10
	28,973	-10,691	18,282	29,381	-10,823	18,558	408	-132	276	266
Total Lifelong Learning	79,765	-15,287	64,478	81,558	-16,326	65,232	1,793	-1,039	754	627

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
LIFELONG LEARNING
POSITION AS AT END DEC 2005

Note:
Youth Service included in Non-school funding
from 01/11/05

Comments	Current Month	Previous Month
	£000s	£000s
EDUCATION		
Individual School Budgets:		
The latest projection on schools' delegated budgets would indicate that schools' balances of £1,559k as at 31/03/05 will reduce to £1,081k during 2005/06. This reduction includes planned expenditure of £212k and pressures of £266k. The school pressures include SEN £62k, Premises £55k, Supplies £22k and the remainder on staffing issues mainly workload /PPA.	478	361
School Funds Held Centrally:		
School Transport		
There has been an increase in the projected outturn this month due to additional SEN contract and related escort costs. Pressure of £50k have been met within year from internal savings.	262	252
SEN		
The delegation of SEN Pupil Support Workers in the Primary sector was finalised in September based on actual cost. The completion of the delegation process has identified a shortfall of £630k (£629k 2004/5) which will be partially offset by increased income from out County placements £395k leaving a net shortfall of £235k.	235	235
Speech & Language Therapy - increased demand on service	52	52
Other		
Management actions, vacancy savings and reduced free school meals	-185	-171
Increased income generation	-99	-99
ABA Behaviour Support	-28	-28
Pension contributions	-30	-30
Other schools funds held centrally	-36	-36
Service delivery will continue to be reviewed during the remainder of the year with a view to reducing expenditure and maximising grant income in order to dampen down existing pressures		
Non School Funding		
Student awards		
Savings on administration/software licences	-13	-13
College Transport		
Reduction in pressure from that reported last month due to changes in contract prices from start of academic year.	53	53
Non School funding additional identified in year savings	-7	-7
Corporate Services		
A number of corporate service budgets and related service expenditure have recently been transferred to the Directorate (Equalities, Access, Translation, Press & PR, County Voice). A net saving of £20k is projected on Press, PR and County Voice mainly as a result of income generation.	-9	-20
The net saving on Press, PR and County Voice has been reduced from the figure reported last month pending payment of an invoice for County Voice relating to the 2004/05 financial year. This invoice was reflected in the underspend on County Voice in 04/05 which at the time formed part of the Chief Executive's		
There is a projected overspend on the Translation Service budget of £25k due to the demand on the service, and the need to use external provision. A pressure on this service was identified prior to the transfer to Lifelong Learning.	25	0
TOTAL EDUCATION	698	549

CULTURE & LEISURE		
Leisure		
Vandalism / other premises costs to maintain Frith Beach	40	40
Energy Costs increase	29	29
Loss of swimming revenue at Rhyl LC due to temporary closure	14	14
Delayed appointment of Assistant Director	-6	-6
Reduction of Winter Events programme	-5	-5
Possible increase in income from review of fees & charges	-3	-5
Debt recovery	-10	0
Gas & Electric rebate at Scala Cinema	-7	0
Culture		
Increase in Libraries' NNDR	23	23
Delayed appointments	-15	-15
Reduction in opening hours of Gruelling Experience at Ruthin Gaol	-2	-7
Photocopier rebate	-12	0
Countryside		
Reduced CCW grant - net	12	12
Additional project management fees secured	-2	-2
TOTAL CULTURE & LEISURE	56	78
TOTAL LIFELONG LEARNING		
Total	754	627

Note: A saving of £26k from non-payment of support services contributions to Clwyd Leisure Ltd for 2004/05 & 2005/06 will be included in the projection when confirmed.

CULTURE & LEISURE EFFICIENCY SAVINGS PROGRESS REPORT

Proposed Efficiency Saving	Target	Progress
Reduce funding to grant aided bodies	26,873	Achieved
Reduction of Library Service & Records M:	8,928	Achievable
Cut Pavilion Theatre Secretary post by 50%	9,534	Achieved
Reduction of furniture/equipment purchase	6,800	Achievable
Increase fees & charges	37,865	Achievable
Total	90,000	
Education Efficiency savings	£	
SCHOOLS DELEGATED BUDGET	353,000	Achieved
FREE SCHOOL MEALS REDUCTION	50,000	Achieved
REDUCED MEALS SUBSIDY	38,500	Achieved
SCHOOLS INSURANCE EXCESS	31,500	On target to be achieved
MANAGEMENT & SECRETARIAT	5,120	Achieved
CLIENT SERVICES	7,000	Achieved
ADVISORY	11,700	Achieved
PRIM. ED. - NON DELEGATED	28,780	Achieved
SECONDARY - NON DELEGATED	28,240	Achieved
SPECIAL SCHOOLS - NON DELEG.	9,040	Achieved
STATEMENTING	7,500	Achieved
EDUCATION MISCELLANEOUS	22,620	60% Achieved; 40% On target to be achieved
	593,000	

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
ENVIRONMENT DIRECTORATE
POSITION AS AT END DEC 2005

	Budget			Projected Outturn			Variance			Variance Previous report £000s
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	
Development Services (Notes 1 to 3)	8,567	-5,019	3,548	8,610	-5,102	3,508	43	-83	-40	-14
Transport & Infrastructure	8,799	-3,725	5,074	8,797	-3,723	5,074	-2	2	0	-17
Planning & Public Protection	4,122	-1,850	2,272	4,171	-1,899	2,272	49	-49	0	0
Director & Support (Note 4)	1,170	-103	1,067	1,166	-134	1,032	-4	-31	-35	-18
Environmental Services	8,987	-564	8,423	9,003	-580	8,423	16	-16	0	-6
Total Environment	31,645	-11,261	20,384	31,747	-11,438	20,309	102	-177	-75	-55

Notes:

1. Additional income generated by the County Building Group due to the capitalised maintenance budget projected to be spent in full. This is offset by the extra costs detailed in 3b.

2. Savings arising from delays in filling vacant posts

3. Projected additional costs arising from Health and Safety issues (see cabinet report 21/6/05)

	Total req'd	Likely spend 2005/6
(a) Legionellosis control	£235k	£200k
Fire Risk Assessments & Roof Void Compartmentalisation	<u>100k</u>	<u>£50k</u>
	£335k	£250k

We are in the process of committing and viring revenue and capital resources as agreed.
There will be an ongoing revenue pressure in future years in respect of the items listed above.

(b) No extra budget has been provided to fund the additional revenue pressure of £80k in respect of extra administrative Health & Safety processes.
It is anticipated that these costs will be absorbed in the Directorate's overall revenue budget.

4. Non-recurring savings from the implementation of the Joint Emergency Planning Unit.

5. Progress with Efficiency Savings put forward as part of the Budget Setting exercise

Details	£'000s	Progress
(i) Projected Directorate Underspend 2004/05	100	Achieved
(ii) Income generation - Decriminalisation	50	On target
(iii) Income generation - Car Parking	100	On target
(iv) Development/Building Control - smarter working	30	On target
(v) Savings from Recruitment/Agency Process	30	On target
(vi) Income generation target - Other Fees & Charges	20	On target
(vii) Trading Activity Surplus	50	On target
TOTAL	<u>380</u>	

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
SOCIAL SERVICES AND HOUSING
POSITION AS AT END DEC 2005

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s	Previous report £000s
Children Services	8,680	-1,540	7,140	9,260	-1,780	7,480	580	-240	340	372
Adult Services	31,793	-9,258	22,535	32,765	-9,780	22,985	972	-522	450	432
Business Support & Development	1,732	0	1,732	2,147	-26	2,121	415	-26	389	282
Supporting People Grant	4,115	-4,129	-14	3,367	-4,141	-774	-748	-12	-760	-693
Underspend Brought Forward 2004/5	0	0	0	0	-540	-540	0	-540	-540	-540
	46,320	-14,927	31,393	47,539	-16,267	31,272	1,219	-1,340	-121	-147
Non HRA Housing	1,358	-1,112	246	1,448	-1,238	210	90	-126	-36	-14
Underspend Brought Forward 2004/5	0	0	0	0	-38	-38	0	-38	-38	-38
Total Personal Services	47,678	-16,039	31,639	48,987	-17,543	31,444	1,309	-1,504	-195	-199

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
SOCIAL SERVICES AND HOUSING
POSITION AS AT END DEC 2005

<u>Comments</u>	<u>Current Month</u>	<u>Previous report</u>
	<u>£000s</u>	<u>£000s</u>
PERSONAL SOCIAL SERVICES		
CHILDREN'S SERVICES		
Specialist Placement commitments remain the major pressure area with a predicted overspend of £1,019k. This is offset by underspends within in house fostering services of £489k and a slippage within staffing	340	352
	340	352
ADULT SERVICES		
Learning Disabilities		
An overall increase in expenditure of £13k compared to the last report. Community Living and Family Support remain the main areas of concern. However the Bryn Y Neuadd grant for 2005/06 is unlikely to be fully utilised. Approximately £104k is unlikely to be spent due to delays in clients being resettled within the	353	340
Mental Illness		
The overspend projection of £165k is mainly attributable to Residential / Nursing placements. Consultants have been reviewing care packages aiming to reduce the cost to the council.	169	159
Older People		
The overspend on Community Care Older People budgets has increased slightly in the last month. The projection has been based on an average of fluctuating expenditure patterns and client numbers. However the outturn for DReSS (Denbighshire Rehabilitation Service) has improved by £15k. A further pressure area is still Provider Unit Elderly Residential Homes. Long term strategies involving extra care housing are in place though this will not affect outturn in the short / medium term	156	151
PDSI		
The main overspend continues to be in Community Care. However, the forecast overspend has reduced by £14k to reflect free nursing care income and a reduced prospective transfer to Project Work. Occupational Therapy is a pressure of £41k which includes the impact of an additional £20k extra funding agreed in the Capital Plan and an extra £8k budget allocation by the Head of Adult Services.	237	255
Performance Management & Commissioning		
This underspend is due to staff vacancies within the administration budgets.	-92	-92
Other Adult Services		
The majority of the underspend reported is budget that is as yet unallocated. This will be reallocated within the service to meet pressures during the course of the year.	-325	-283
Cefndy Enterprises		
The variation is due to an increased sales forecast for the year.	-48	-48
TOTAL ADULT SERVICES	450	482
Business Support & Development		
Centralising stationery expenditure and the increasing costs of telephone recharges account for the overspend in BSD. The increased overspend on last month is mainly due to an increased revenue contribution towards the capital cost of the PARIS project. Although expenditure on stationery has now been controlled, photocopier leases still cause an overspend. Work is ongoing to reduce telephone costs.	389	277
	389	277
Supporting People		
£256k of the underspend reported is earmarked for potential clawback. This is reported as part of the directorate position, but should not be used to fund overspends within the directorate. This leaves £504k underspend to be utilised by Social Services. In-year SPG savings are due to the remodelling of projects and new projects which will not begin until 2006.	-760	-693
	-760	-693
2004/05 Underspend brought forward	-540	-540
Non-HRA Housing		
A detailed review of the non-HRA budget has been completed in the past month resulting in an improved outturn forecast. However, this budget is very volatile, particularly services for homeless people.	-36	-39
2004/05 underspend brought forward	-38	-38
	-74	-77
Total Social Services and Housing	Total	-195
		-199

Social Services and Housing Efficiency Savings 2005/06 - Progress Report

Children Services	Target	Details	Status	Comments
Transport	£15,000	Delegation of transport budgets to Team Managers with strict ceiling on spend.	Achievable	Scheme of delegation of budgets to Team Managers has been introduced including restricted budget for Transport
Staff	£15,000	Slippage and savings on posts	Achievable	
Contract savings	£8,000	Work on reducing costs of external placements	Progressing	There is more hope that this saving will be realised as a new North Wales contract is in operation
Adult Services				
Charging Policy	£100,000	Primarily full year impact of charging policy to People with Learning Disabilities	£92k achievable	There is still some concern about the number of people who appealed against the charges and whether all the invoices will be paid in full.
Contract Reviews - invest to save	£30,000	Impact of Care Brokers, Contracts Officers reducing high costs of some placements	Achievable	Care Brokers now in post proving a much more efficient way of identifying care providers. In October a fixed rate for Dom Care was introduced.
Fee increases reduced by .5%	£80,000	Not increasing fees by 1% over inflation. Likely to cause problems in an unstable market.	Achieved	Budgets have been cut. All neighbouring authorities now pay rates higher than Denbighshire.
Work Opps Income	£10,000	Promoting businesses/dividing Llewelyn Room at Henllan	Unlikely to be achieved	Increased income is unlikely by dividing the Llewellyn Rm at Henllan, promotion of Work Opps not generating enough extra income
Cancer Recharge	£5,000	Contribution from neighbouring Authorities	Achieved	LHB re free nursing care admin. £5k received
Staff	£39,000	Reduction in posts	Achieved	Straight budget cut.
Business Support & Development				
House Keeping	£10,000	Working with Procurement to improve efficiencies of purchases and reduce waste.	Uncertain	This is very hard to prove. Previously the stationery budgets were within operational budgets but with many miscodings. By now having identified budgets within BSD for core stationery purchases, this is much improved. Work is underway to identify telephone costs.
Staff	£5,000		Achievable	Slippage on appointments to posts/staff not at top of scale.
Housing				
Piper Lifeline charges	£10,000	Increase in charges	Achieved	Increases applied to 2005/06 charges
Accommodation Support Officer	£75,000	Savings generated by Support Officer in temporary costs of homelessness.	Achievable	If demand on accommodation remains as at present
Totals	£402,000			

The £18k savings not achieved above will hopefully be achieved by increased transport savings in Childrens' Services, further contract savings in Adult Services and additional slippage on administration posts.

MONTHLY REVENUE BUDGET MONITORING REPORT - FINANCIAL YEAR 2005/06
RESOURCES, COUNTY CLERK, CORPORATE & MISCELLANEOUS
POSITION AS AT END DEC 2005

	Budget			Projected Outturn			Variance			Variance
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure	Previous report
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
County Clerks	1,969	-543	1,426	2,110	-694	1,416	141	-151	-10	-10
Resources Directorate										
Finance	4,089	-1,840	2,249	4,062	-1,840	2,222	-27	0	-27	-27
Policy Unit	339	0	339	339	0	339	0	0	0	0
Audit	415	-60	355	412	-62	350	-3	-2	-5	-5
I.T	2,236	-431	1,805	2,230	-431	1,799	-6	0	-6	-6
Personnel	1,088	-169	919	1,078	-169	909	-10	0	-10	-10
Project Management	0	0	0	161	-161	0	161	-161	0	0
Total	8,167	-2,500	5,667	8,282	-2,663	5,619	115	-163	-48	-48
Corporate and Miscellaneous	4,477	-682	3,795	4,691	-683	4,008	214	-1	213	203
Benefits	21,290	-21,270	20	21,292	-21,272	20	2	-2	0	0
Capital Fin Charges/Investment Income	10,891	0	10,891	10,891	-681	10,210	0	-681	-681	-600
Revenue Support Grant	0	-90,790	(90,790)	0	-90,590	(90,590)	0	200	200	200

AGENDA ITEM NO: 4

REPORT TO : CABINET
DATE : 31 JANUARY 2006
REPORT BY : COUNCILLOR P J MARFLEET, LEAD MEMBER FOR
FINANCE & PERSONNEL
SUBJECT : REVENUE BUDGET 2006/7 TO 2008/9

1. DECISION SOUGHT

- 1.1 That members consider the budget proposals as shown in appendix 4 and recommend the budget package to County Council for approval.
- 1.2 That members recommend the resulting 2% impact of the proposals on Band D of Council Tax in 2006/7 to full Council.
- 1.3 That members note the indicative budget position for 2007/8 and 2008/9.

2. REASON FOR SEEKING DECISION

- 2.1 Cabinet on the 20 December considered the position to date regarding the budget setting exercise, in the light of the final settlement details for 2006/7 from WAG.
- 2.2 The attached appendices update the position taking into account;
- a) the recommendations of Service Scrutiny Committees,
 - b) the latest information on inflation pressures likely to be encountered in 2006/7,
 - c) further proposals detailed in 2.5 below.
- 2.3 Scrutiny Committees have reviewed the original proposals for savings together with bids for additional resources for identified service pressures. The following recommendations, which add £300k to the budget proposals, have been made.

Savings proposals re instated

Environment	£k	£k
Sweeper hire	20	
Gully emptying	25	
Verge maintenance	20	
Support for Community projects	14	
N Wales Economic Forum membership	8	87
Social Service & Housing		
Private provider's fees		85

Lifelong Learning		
Youth proposals	18	
Fair funding topslice		35
Reduction in repairs and maintenance – schools	9	
- C & L	10	
AONB funding	25	
Christchurch Leisure facilities	23	
Corwen pavilion	8	128

TOTAL		300

2.5 Summary of main proposals including changes from December report.

- a) It is recommended that a provision of £470k is made within the budget to address the current dip in performance in some schools at Key Stage 3 and above. This is potentially one year funding only and will need to be reviewed again for 2007/8.
- b) It is further proposed that a provision is made to provide each member with the opportunity to access funds to address specific ward issues. Some of this funding would be capital, financed through prudential borrowing, and some would be revenue. The total cost proposed of £55k provides up to £500k of capital.
- c) Support is also sought for a proposal to increase the Community Capital schemes provision by £150k through prudential borrowing, cost £15k p.a.
- d) A review of the beach life guard service will take place shortly to seek to identify sponsorship funding; in the meantime the current level of budget remains unchanged within the proposals.
- e) It is recommended that £200k is earmarked within the budget for 2006/7 for 'spend to save' initiatives in the light of the need to continue to make further efficiency savings/gains by March 2010, together with feasibility and collaboration studies.
- f) It is further recommended that a sum of £385k is provided to support prudential borrowing of £4m to improve those services identified as the Council's priorities. This could include the balance of funding needed for the Tir Morfa phase 2 scheme.

2.6 These proposals will be accommodated by a combination of;

- a) the utilisation of the previously unallocated £320k,
- b) an increase in Council Tax of 2%

2.7 Appendix 4 shows the percentage increase in service budgets year on year after adjusting for the impact of the transfers in and out of the settlement of specific grants.

2.8 Also within appendix 4, the indicative figures for 2007/8 & 2008/9 provide a basis for the planning for the delivery of the Council's priorities in future years, based on Council Tax increases of 2% in each year.

3. POWER TO MAKE DECISION

Section 151 of the Local Government Act 1972
Local Government Act 1992
Part 1 of Local Government Act 2003

4. COST IMPLICATIONS

4.1 3 Year Budget Proposals

- Appendix 1 details the bids for additional funding for identified service pressures.
- Appendix 2 details the recommended treatment of these bids.
- Appendix 3 details the proposed savings that are supported by Lead Members and and Service Scrutiny Committees.
- Appendix 4 details the overall recommended position for service budgets for 2006/7, together with indicative figures for 2007/8 and 2008/9.
- Appendix 5 details the areas of spend where further procurement savings opportunities have been identified. Work is continuing to allocate these figures over service budgets.

5. FINANCIAL CONTROLLER STATEMENT

Members will note that the amended proposals provide for;

- a) a reasonable level of additional resources in response to identified service pressures in 2006/7,
- b) only those proposals for savings that do not seriously impact upon service delivery,
- c) funding for 'spend to save' initiatives to help deliver future efficiency savings,
- d) a sum to tackle the recent dip in Key Stage 3 and above performance in some schools,
- e) the opportunity to budget for up to £4m of capital resources through prudential borrowing to invest in the Council's priorities, while ensuring the final impact on Council Tax levels, i.e. +2%, provides the potential to improve the Council's position relative to other North Wales

authorities, in line with the Council's Improvement Plan. The final level of the bill for the Council Tax payer will depend on the level of increase in spending agreed by the Police Authority and Town and Community Councils, which is, of course, beyond the control of the County Council.

6. CONSULTATION CARRIED OUT

These proposals have been discussed by lead Cabinet members, CET, Heads of Service and Service Scrutiny Committees on several occasions.

7. IMPLICATIONS FOR OTHER POLICY AREAS INCLUDING CORPORATE

This report forms part of the process of fulfilling the legal requirement to set an annual budget for 2006/7 and indicative budgets for the following 2 years as required under the Prudential Code.

The proposals seek to address potential underfunding as far as it is possible to estimate in mandatory areas of Special Education, home to school transport and Social Services.

The additional funding opportunities as outlined in 2.5 (f) provide members with an opportunity to address the Council's priorities.

8. ACTION PLAN

Action and by whom

By when

Council to review Cabinet budget recommendations for 2006/7 to 2008/9

14th February 2006

Council to agree resulting level of Council Tax to be charged in 2006/7

28th February 2006

9. RECOMMENDATIONS

9.1 That members consider the budget proposals as shown in appendix 4 and recommend the budget package to County Council for approval.

9.2 That members recommend the resulting 2% impact of the proposals on Band D of Council Tax in 2006/7 to full Council.

9.3 That members note the indicative budget position for 2007/8 and 2008/9.

Appendix 1**BUDGET PRESSURES 2006/07
LIFELONG LEARNING**

DETAIL OF PRESSURE IDENTIFIED	£000
EDUCATION	
Tim Data SIMS Licences	30
Behaviour Support Demand & grant fall out	70
Speech & Language Therapy demand and grant fall out	112
Pupil Support LSAs	235
Modernising Education	100
Education Psychology change in conditions	23
Better Schools Fund settlement shortfall	27
Total	597
YOUTH	
Fall out grant for Youth Service Manager	49
Extend Youth Services in 3 Towns	102
Total	151
STRATEGY AND RESOURCES	
School and College Transport inflation	447
HR new post	30
Asset Management new posts	82
Total	559
CULTURE AND LEISURE	
Increase Book Fund	30
Increased Energy Costs	Unknown
NNDR appeal	23
Fall out of grant Museum Officer	16
AONB Grant not received	25
Christchurch Community Centre fall out of tapering grant	23
Ruthin Craft Centre	16
Nantclwyd House marketing and promotion	20
Termination of Archives partnership	6
Ffrith Festival Gardens premises costs	40
Transfer of TIC's (underfunded)	40
Transfer of Playground maintenance (underfunded)	25
Total	264
CORPORATE	
FOI Officer	26
Records Management Staff	19
Total	45
DEPARTMENTAL TOTAL	1,616

Appendix 1

ENVIRONMENT DIRECTORATE
BUDGET PRESSURE 2006/07

DETAIL OF PRESSURE IDENTIFIED	£000
HEALTH AND SAFETY	
On-gong requirement in building group	70
On-going revenue implications:	
Legionellosis Control	213
Condition Survey on all public buildings	150
Total	433
FUEL	
Inflation increase on Diesel in last 18 months in excess of budget allowance	69
Total	69
UTILITY COSTS	
Inflation increases on electricity, Gas and Water in excess of inflation allowance in budget	74
Total	74
STREET LIGHTING	
Extra energy costs due to massive rise in March 2006 due to 'Energy Climate Levy' (75%)	126
Total	126
GROUND MAINTENANCE	
Bringing standards in the south up to those in the north – expectations have now been raised by the public realm initiative	25
Total	25
WASTE MANAGEMENT	
New contract for Waste disposal Rates not known yet but likely to be a 20 – 25% price rise in disposal costs.	
Current costs estimated £920k @ 20%	184
Additional Landfill costs (inflationary)	170
Total	354
REFUSE COLLECTION	
Additional costs arising from new hereditaments built in the county since the contracts were introduced:	
Premises in the County in April 1996 - £39,946	
Premises in the County as at 31/08/05 - £42,330	
Based on terms of original contracts the increase would lead to an increase in the contract value	45
Total	45
LAND CHARGES	
Income budget	100
Total	100
YOUTH OFFENDING TEAM	
Support worker	25
Total	25
DEPARTMENTAL TOTAL	1,226

Appendix 1**SOCIAL SERVICES & HOUSING DIRECTORATE
BUDGET PRESSURES 2006/07**

SERVICE	2005/06 Net Budget £	Estimated Budget 2006/2007 £	Need 2006/2007 £	Shortfall 2006/2007 £
Children's Services	7,134,755	7,318,751	7,767,685	-448,934
Adult Services				
Learning Disabilities	2,994,898	3,064,217	3,437,634	-373,417
Mental Illness	1,498,732	1,542,171	1,634,986	-92,815
Older People	13,559,665	13,938,170	14,618,676	-680,506
PDSI	1,661,321	1,709,095	1,999,367	-290,272
Joint Working Grant & Older People Strategy	27,280	28,235	28,235	0
Performance Management & Commissioning	2,046,972	2,108,381	2,097,000	11,381
Other Adult Services	677,222	689,846	531,814	158,032
New Money From 05/06		270,000		270,000
Total - Adult Services	22,466,090	23,350,115	24,347,712	-997,598
Supporting People	-14,611	-14,611	-94,234	79,623
Business Support and Development	705,980	726,554	759,792	-33,238
Senior Management	370,311	381,420	404,215	-22,795
Directorate Costs	329,809	381,420	575,128	-193,708
External Funding	326,343	332,870	365,724	-32,854
Total – BSD	1,732,443	1,822,265	2,104,859	-282,594
Non-HRA Housing	246,937	254,345	254,345	0
Carry forward from 04/05				
Social Work Pay Review ADSS			121,000	-121,000
TOTAL	31,565,614	32,730,865	34,501,368	-1,770,503

Note; Social Services have used a more zero based budgeting approach to identify the budget needed to fund services by identifying the likely overall pressure for each service area.

Appendix 1
CORPORATE

RESOURCES DIRECTORATE, COUNTY CLERKS AND

BUDGET PRESSURES 2006/07

DETAIL OF PRESSURE IDENTIFIED	£000
RESOURCES	
ICT	
Disaster Recovery Insurance	30
New Post – Information Security Officer	40
Customer Contact Centre – further impact	45
Out of Hours Support	55
Total	170
Corporate	
Members Pension Contribution	55
Health & Safety Training	50
Total	105

Assessment	-----Suggested Treatment of Bids-----					COMMENTS
	Bids	Allow for	Passport	Potential	Not	
	in inflation	sum inc in	growth	accepted		
£000	£000	£000	£000	£000	£000	
LLL - EDUCATION						
Transport net of -4 days (-70k approx)	447			447		
HR staffing levels	30			30		
Asset management	82			50	32	
SIMs licence inc users	30				30	Fund from Sch del budgets
YOT	25			25		
EPIC reduced grant	25				25	Service to fit grant levels
Home tuition	20			20		
SALT inc demand/costs	52			52		
Loss of flexibilities grant	60				60	Service to fit grant levels
Ed Psychs conditions of service	23				23	Similar to JE, absorb.
Pupil support LSAs	235			235		
Modernising Education - one off	100			100		
Loss of grant re Youth Inf Educ Manager	49				49	Service to fit grant levels
Reduced funding for Teacher Trng & EMA	27			27		
Ext YS prov in 3 towns	102				102	Growth not pressure
TOTAL	1,307	0	0	986	321	
LLL - CULTURE & LEISURE						
Library Book Fund	30				30	Capital bid
Library inc NNDR	23	23				
Loss of grant for Museums dev	16				16	Service to fit grant levels
Countryside reduced CCW grant	25			25		
Tapering grant Christchurch Com LS	23			23		
Craft Centre inc running costs	16				16	Seek sponsorship e.g.Tesco
NantClwyd House marketing	20				20	Seek sponsorship e.g.Tesco
Termination of Archives partnership	6				6	Service to fit budget levels
Ffrith on going mtce etc	40				40	Disposal of site to be pursued
TIC staffing costs	40				40	Potential One Stop Shop jt use
Playgrounds budget shortfall	25				25	Transfer from Environment
FOI addit staffing due to demand	26			15	11	Income from charges
Records management addit staff	19			10	9	Reduce size of records stored
TOTAL	309	23	0	73	213	
ENVIRONMENT						
H & S - Building group	70			70		
- Legionellosis control	213			213		
- condition surveys (one off)	150			75	75	Bid reduced to assist savings
Fuel inflation under provision	69	69				
Energy inflation underprovision	74	74				
Street lighting energy u/prov	126	126				
Grounds mtce, imp standard in south	25			25		
Waste, price increase	184	184				
Waste, LFT/inc tonnage	170		110	60		
Refuse, inc properties	45			45		
Land charges income shortfall	100				100	Resolved in 2005/6
TOTAL	1,226	453	110	488	175	
SOCIAL SERVICES & HOUSING						
Children's services	449					
Adult services	997					
Business support	283					
Supporting People	-79					
Soc Work pay review	121					
WAG additional funding			1728		43	
TOTAL	1,771	0	1,728	0	43	
RESOURCES						
ICT developments	170			170		
CORPORATE						
Members' pension costs	55			55		
H & S training	50			50		
TOTAL	105			105		
TOTAL	4,888	476	1,838	1,822	752	

Appendix 3

BUDGET SAVINGS
LIFELONG LEARNING 2006/07

Detail	Amount efficiency £000	Amount other £000	Impact
Education			
Behaviour Support not filling vacancy	10		Nursery vacancy not filled
EAL reduce equipment budget	1		Negligible
Schools Non delegated reduce S&S budget	14		Negligible
Tim Data reduce S&S budget	2		Negligible
Introduce grant admin charge on advisory budget	19		Less funding available for grant but split across all schools will be negligible
Behaviour support increased income generation		9	Permanent exclusions from schools may increase
Transfer salary of statementing officer to grant		40	Reprofiling of service will result in reduction in statementing service
Transfer salary of ESW to grant		35	Need to reprofile service and may put pressure on other areas
EAL reduce computer purchase		2	Failure to purchase planned computer hardware will affect service delivery and coordination
Schools Non Delegates pupil courses budget		3	LEA not able to offer assistance for special events
Reduce school remissions		10	Reduction based on historic trends. If demand increase will result in pressure
Reduce computer hardware		7	LEA not able to assist in schools with purchase if computer servers.
Tim Data reduce equipment budget		3	Could lead to effective admin processes
Stop providing grants to early years voluntary sector		2	Minimal impact
Increase impact to Athrawon Bro		2	No impact
Total	46	113	

Appendix 3

BUDGET SAVINGS
LIFELONG LEARNING 2006/07

Detail	Amount efficiency £000	Amount other £000	Impact
Youth			
NO SAVINGS PROPOSED			
Total	0	0	

Appendix 3

BUDGET SAVINGS
LIFELONG LEARNING 2006/07

Detail	Amount efficiency £000	Amount other £000	Impact
Strategy and Resources			
Financial Services reduce S&S	2		Negligible
Business and Performance school meals	4		Negligible
Asset Management Support	2		Negligible
Management and admin S&S contingency	11		May lead to less effective admin process
Reduce Staffing		6	Reduced level of budget monitoring, cease completion of statutory returns, impact on Succession management
Cease operating lease for FEAST software		4	Could lead to manual calculations
Recharge Project Management Fees		3	No significant impact
HR Training Budget		2	Reduced support for professional qualifications may lead to recruitment problems
HR Travel – Reduce Governor support		1	Increased risk of compensation claims due to lack of support
Cease subscription to HR publication		0.5	Unable to keep up to date with legislation
Decrease in pension provision		30	Projected reduction in pension liability
Introduce fair funding charge - REMOVED		0	
Decrease non devolved R&M - REMOVED		0	
Total	19	46.5	

Appendix 3

BUDGET SAVINGS
LIFELONG LEARNING 2006/07

Detail	Amount efficiency £000	Amount other £000	Impact
Corporate			
Reduce postage and subscriptions, use in house photographer	1		May not be as professional
Downscale presence at Flint and Denbigh show	6		May not be as professional
Total	7	0	

Appendix 3**BUDGET SAVINGS
LIFELONG LEARNING 2006/07**

Detail	Amount efficiency £000	Amount other £000	Impact
Culture and Leisure			
Non Devolved R & M - REMOVED	0	0	Reduced Building Maintenance
Clwyd Leisure 3 year funding agreement	6		Pressure on externally funded body
Reduce grants to external bodies	2		Pressure on externally funded body
Review of terms and conditions o library staff	6		Reduce annual leave could be possible challenge by unions
Miscellaneous efficiencies (cease subs, window cleaning etc)	4		Impact on standards and shabby buildings
New charges for music	1		None
New charges for document storage for other public bodies	1		Income from commercial use of records management dependant on stable insurance costs
New charges for civil blessings and heritage sites	1		None
Income from town hall bars	2		None
New income from Denbighshire arts	1		None
Franchise at mini golf	3		Dependant on securing franchise
Tourist attraction lease at childrens Village	5		None
New septic tank at Moel Fammau toilets	4		Dependant on completion of new biotank installation
New user for Ffrith Festival Gardens	10		Dependant on early resolution and future of Ffrith
Mini bus surplus to requirements	1		Minimal vehicle used little
Review leisure centres staff rotas	5		Additional pressure on Managers to provide cover

Appendix 3**BUDGET SAVINGS**
LIFELONG LEARNING 2006/07

Detail	Amount efficiency £000	Amount other £000	Impact
Increase all Culture and Leisure charges		52	Possible negative reaction from customer
Reduce Library and Leisure Centre opening hours		9	Possible negative reaction and impact on Welsh public Library Standard
Cancel Walking Festival		7	Loss of established event and reduced ability to support national festival in Llangollen
Library staff relief budget		10	Disruption of service and impact on standards
Ruthin Craft Centre		1	Loss of educational opportunity for community
Reduce grounds maintenance of Botanical Gardens		3	Reduced floral displays
Reduce security at Childrens Village		3	Increased risk of vandalism and anti social behaviour
Cancel archives software and support contracts		2	Equipment taken out of service in the event of breakdown
Reduce heritage exhibitions and advertising budgets		2	Reduced level of activity and reduced income
Reduce sports/events programmes		7	Impact on heath agendas and reduced events to boost tourism
Reduce training budgets		4	Demotivated staff and non-compliance with IIP
Close and 'mothball' Corwen Pavilion pending decision on long term future – REMOVED		0	Loss of venue, existing staff made part-time, but saving maintenance costs
Cease beach life-guarding service – REMOVED		0	Public safety issues and adverse media reaction
Total	52	100	

Appendix 3**ENVIRONMENT DIRECTORATE**
BUDGET SAVINGS 2006/07

DETAILS	AMOUNT OF SAVINGS		
	Efficiencies £000	Further Savings £000	Total £000
Staff restructuring – Transport and Infrastructure	15		15
Reorganise night time street lighting inspections and reduce bollard cleaning	10		10
Use grounds maintenance operatives in cemeteries	5		5
Restructuring savings in management of public conveniences	10		10
Remove agency cover used in reception in Caledfryn	3		3
Reduce man hours in external funding unit	3		3
Streamlined budget due to merger of Services – Planning and Public Protection	10		10
Reorganise the DC function reducing the requirement for consultants	6		6
Reduce use of consultants on Building Control	5		5
Reduction in Finance and Performance administrative support	3		3
Savings follow a number of restructurings in Development Services	27		27
Annual fee from CCTV at Matalan	10		10
Increase bulk lamp charge duration on all street lighting		9	9
Reduce hired sweeper for street cleaning in the South – REMOVED		0	20
Additional income from Public Conveniences		12	12
Review and rationalise car parking charges		40	40
Reduce gulley emptying to annually plus hotspots – REMOVED		0	25
Extend use of grazing Licences in the agricultural estate		3	3
Reduce support for business group development in Rhyl		8	8
Review use of consultants to carry out work on caravan sites licensing conditions	16		16

Appendix 3**ENVIRONMENT DIRECTORATE**
BUDGET SAVINGS 2006/07

DETAILS	AMOUNT OF SAVINGS		
	Efficiencies £000	Further Savings £000	Total £000
A full review of all contracts for software packages has identified surplus areas which are no longer required	10		10
Review of fees and charges – Public Protection and Planning e.g. Pest Control	10		10
Reducing the budget allocated for consultants on surveying sites on the contaminated land register	10		10
Introduce car parking charges on Rhyl Promenade – net of start up costs		150	150
Additional income from Cemeteries		5	5
Reduce Verge maintenance at town gateways – REMOVED		0	0
Reduce support for community projects – REMOVED		0	0
Reduce contribution to Denbighshire Enterprise Agency		6	6
Terminate membership of external bodies including Coalfields Communities			
Campaign North Wales Economic Forum – REMOVED		0	0
Review of Essential Car User allowances bands		4	4
Review of telephone allowances	3		3
Tourism		7	7
Additional fee income – Development Services		32	32
Total	156	276	432

Appendix 3

PERSONAL SERVICES EFFICIENCY SAVINGS

Area	Target Efficiency saving £000	Target Budget Savings £000	Total £000	Proposal
Children's Services				
Family Support Workers	0	148	148	Transfer funding to supporting people
Adult services				
Elderly care – reduce fee increase to independent sector homes - REMOVED	0	0	0	Give 0.5% less than 25 above inflation increase originally planned
Domiciliary contract efficiencies	53	0	53	Single rate for domiciliary care
EMI nursing/domiciliary efficiencies	5	0	5	Block purchase of EMI beds to be paid at previous years rates
General – extending charges	30	0	30	All service users except mental health to be charged
Care brokers	30	0	30	To improve efficiency through care broker service
Local authority care home	0	11	11	Remove all home care overtime
Continuing health care	0	70	70	Widen scope of current recharging
General contractual savings in Adult services	20	0	20	Review of link house and care service contracts
Direct payments	10	0	10	Increase DP having financial benefits of £1.50 an hour
Adult learning disabilities – contract efficiencies in work opportunities and community living	15	10	25	Review contracts and introduce planned purchasing
Adult Learning – disabilities contract out community living services	0	20	20	2 Projects being tendered out to independent sector
Elderly residential and day care	8	8	16	Explore options for use of Llys Nant special care unit and review agency cover
Vacant Posts	0	80	80	Staff savings through slippage on vacant posts
Meals on wheels	5		5	Tender for delivery of service and review charging
Voluntary organisation payments	14		14	Reduction of 2% below inflationary uplift
Total	190	199	389	Total Adults

Appendix 3**PERSONAL SERVICES**
EFFICIENCY SAVINGS

Area	Target Efficiency saving £000	Target Budget Savings £000	Total £000	Proposal
Business Support and Development				
Reduction in recruitment and retention	5	0	5	Less advertising costs due to better retention
NNDR – Henllan	6	0	6	Henllan deleted from valuations list therefore no NNDR charge
Telephone rental streamlining	1	0	1	Delete extension numbers no longer required
Paris Project Savings (Care.com)	0	8	8	Reduction in revenue costs by possible grant funding
Total Business Support and Development	12	8	20	
Housing				
Homelessness	5	0	5	Further savings to be made by transferring expenditure from B&B to leased accommodation
Directorate Total @ 2%	209	355	564	

Appendix 3 RESOURCES DIRECTORATE, COUNTY CLERKS AND CORPORATE BUDGET SAVINGS 2006/07

Detail	Efficiency £000	Further savings £000
<u>COUNTY CLERKS</u>		
Increased income		
Discretionary Services	4	
Civil Partnership	4	
Increased external charging rate		4
Freeze vacant post in section		20
Total County Clerks	8	24
<u>RESOURCES</u>		
AUDIT		
Net saving from freezing vacant post		10
ICT		
Reduced expenditure on consultancy		7
Renegotiation of maintenance contracts		21
FINANCE		
Revenues		
In house bailiff provision		20
Benefits		
Increased DWP grant income		10
Exchequer		
Savings on filling post in Payments Section and reduced hours for 2 staff		18
Management Accounts		
Reduction on 1 vacant post	30	
Personnel		
Reduction in Medical Adviser costs		2
Introduction on Childcare Vouchers		7
Sharing of Health and Safety Manager with Anglesey		15
Impact of new HR system		5
Replace Personnel Officer post by graduate	10	
Total Resources	40	115
<u>Corporate and Miscellaneous</u>		
Reduced external audit fees on grant claims	50	
Members costs		8
Other		20
Capital Financing		
Rescheduling of debt and therefore reduced interest rates	240	
Total Corporate	290	28

DENBIGHSHIRE COUNTY COUNCIL

Appendix 4 page 1

1. Budget Requirement 2006/7 to 2008/9 based on WAG Final Settlement

	-1- Budget 2005/6	-2- Inflation Allocation 2006/7	-3- Committed Changes 2006/7	-4- Transfer in and out of settlement	-5- Efficiency Savings	-6- Further Savings	-7- Service Pressures	-8- Proposed Growth	-9- Additional Specific WAG funds	-10- Projected Budget 2006/7	-11- % increase over 2005/6 ex transfers
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	%
Lifelong Learning - Schools budgets	46,196	1,142	0		-259	-241	235	470	381	47,924	3.74
- Other Education	12,104	383	0	445	-72	-159	751	0	0	13,452	7.20
- Culture & Leisure	6,179	246	0	0	-52	-100	73	0	0	6,346	2.70
Environment	20,244	960	0	0	-156	-276	488	140	140	21,400	5.71
Personal Services	31,612	953	270 (1)	1742	-209	-355	0	1728	1728	35,741	7.16
Resources	5,642	169	0		-39	-115	170	0	0	5,827	3.28
County Clerk	1,426	44	0		-8	-24	0	0	0	1,438	0.84
	123,403	3,897	270	2,187 (9)	-795	-1,270	1,717	470	2,249 (10)	132,128	5.21
Corporate	3,135	83	130 (2&3)	0	-20	-58	105	55	55	3,430	9.41
Fire/Sea Fisheries levies	3,975	210	0							4,185	5.28
Capital Finance/Interest received	11,021		0 (4)		-65	-176		400		11,180	1.44
Contingency	625		200 (5)					200		1,025	
Inflation	0		-220 (6)							-220	
Contribution to Reserves	0		0							0	
Further Efficiency Savings	0		0							0	
	142,159	4,190	380	2,187	-880 (8)	-1,504	1,822	1,125 (7)	2,249	151,728	5.11
2. Level of Funding											
W A G funding	110,429	4,190		2187			312		2249	119,367	
Deprivation grant	164									164	
LABGI *	0									0	
	110,593	4,190	0	2,187	0	0	312	0	2,249	119,531	
Council Tax yield	31,566		380		-880	-1504	1510	1125		32,197	
	142,159	4,190	380	2,187	-880	-1,504	1,822	1,125	2,249	151,728	

* Note - impact of LABGI grant excluded

Increase in Council Tax collection	2 %
RSG	5.9%
NNDR	5.9%

Notes

1. Full year effect of Demographic pressures in 2005/6	£k	270
2. Housing Stock Transfer impact - part year		0
3. Customer Contact Centre - full year impact of staffing costs		130
4. Effect of Capital Programme		0
5. Full year impact of Single Status		200
6. Further savings from improved procurement		-220
7. Proposed growth		1,125 **

** Analysis of proposed growth

Improving exam results	£k	470
Members 'pot' to address ward issues		55
Community Capital Prudential Borrowing		15

8. WAG efficiency savings	-880	Prudential Borrowing for priorities (£4m)	385
9. Transfers in & out of settlement	2,187	Spend to Save provision	<u>200</u>
10. Passported additional WAG funding	2,249	Total Proposed Growth	<u>1,125</u>

Appendix 4 page 2

	-1- Projected Budget 2006/7	-2- Inflation 3 % 2007/8	-3- Committed Changes 2007/8	-4- Growth for Priority Services	-5- Projected Budget 2007/8	-6- Inflation 3% 2008/9	-7- Committed Changes 2008/9	-8- Growth for Priority Services	-9- Projected Budget 2008/9
	£k	£k	£k	£k	£k	£k	£k	£k	
Lifelong Learning - Schools budgets	47,924	1,438	0		49,362	1,481		50,843	
- Other Education	13,452	404	0		13,856	416		14,271	
- Culture & Leisure	6,346	190	0		6,536	196		6,732	
Environment	21,400	642	0		22,042	661		22,703	
Personal Services	35,741	1,072	0		36,813	1,104		37,918	
Resources	5,827	175	44 (5)		6,046	181		6,227	
County Clerk	1,438	43	0		1,481	44		1,526	
	132,128	3,964	44	0	136,136	4,084	0	140,220	
Corporate	3,430	103	400 (2)	400 (9)	4,333	130	0	5,238	
Fire/Sea Fisheries levies	4,185	126	0		4,311	129	0	4,440	
Capital Finance/Interest received	11,180	0	250 (4)	350 (9)	11,780	0	250 (4)	12,730	
Contingency	1,025	0	0		1,025	0	0	1,025	
Inflation	-220	0	-220 (6)		-440	0	-220 (6)	-660	
Contribution to Reserves	0	0	250 (7)		250	0	0 (7)	250	
Further Efficiency Savings	0	0	-880 (8)		-880		-880 (8)	-1,760	
	151,728	4,192	-156	750	156,514	4,343	-850	1,475	
2. Level of Funding									
W A G funding	119,367	4,134			123,501	4,323		127,824	
Deprivation grant	164	5			169	3		172	
LABGI *	0				0			0	
	119,531	4,139	0	0	123,670	4,326	0	127,995	
Council Tax yield	32,197	53	-156	750	32,844	17	-850	33,485	
	151,728	4,192	-156	750	156,514	4,343	-850	1,475	

* Note - impact of LABGI grant excluded

Increase Council Tax collection	2%	Increase Council Tax collection	2%
RSG	3.5%	RSG	3.5%
NNDR	3.5%	NNDR	3.5%
	£k		£k
2. Housing Stock Transfer impact	400		
4. Effect of Capital Programme	250	4. Effect of Capital Programme	250
5. Impact of HR staffing changes	44		
6. Further savings from improved procurement	-220	6. Further savings from improved procurement	-220
7. Provision for contribution to Reserves	250	7. Provision for contribution to Reserves	0

8. Further efficiency savings
9. Service Growth/Pressures

-880
750

8. Further efficiency savings
9. Service growth/Pressures

-880
1475

Appendix 5

2006/07 Identified Procurement Savings

Commodity	Expenditure	Savings %	£'s	Suggested Saving inc in Budget
Temp Staff Agency	2,700,000	10	270,000	82,500
Print Services	600,000	15	90,000	50,000
Voice Tarriff			36,000	30,000
Data Circuits	188,000	3	5,640	5,000
Mobile Tarriff	120,000	1	1,200	1,000
Photocopiers			7,000	3,000
Books	250,000	5	12,500	0
Educational Materials	100,000	10	10,000	0
Educational PC	200,000	30	60,000	0
Signposting			41,000	0
Vehicle Acquisition	1,500,000	1	15,000	15,000
Office Furniture	82,000	8	6,560	0
Translation Services	120,000	5	6,000	6,000
Janitorials/cleaning materials	120,000	5	6,000	6,000
Insurance			20,000	20,000
Tyres	51,000	3	1,530	1,500
Building Maintenace Materials	279,000	5	13,950	0
TOTAL			<u>602,380</u>	<u>220,000</u>

REPORT TO CABINET

FROM: COUNCILLOR P J MARFLEET, LEAD MEMBER FOR FINANCE AND PERSONNEL

DATE: 31 January 2006

SUBJECT: Capital Prioritisation Process

1. DECISION SOUGHT

1.1 Members recommend the approval of the enclosed capital programme prioritisation process.

2. REASON FOR SEEKING DECISION

2.1 The need to ensure that the Council continues to invest its limited capital resources in areas it considers are a priority, and to ensure that projects are clearly defined and understood.

2.2 The Council also needs assurance that projects are robust and realistic, and that any risks and revenue implications are clearly understood at an early stage.

3. POWER TO MAKE THE DECISION

3.1 Local Authorities are required under section 151 of the Local Government Act (1972) to make arrangements for the proper administration of their financial affairs.

4. COST IMPLICATIONS

4.1 The Council spends approximately £30m per year on its capital programme. It invests in a number of high value projects each year. This process will mean that investment decisions will be clearer and resources will be targeted at the appropriate schemes.

4.2 The enclosed guidance document includes instructions on the revised procedures as well as appendices on the appropriate documentation, particularly Appendix D provides prioritisation criteria. This will be used for indicative purposes to assess how a project meets the authority's priorities. Appendix E provides a flowchart to demonstrate the process.

4.3 The procedure will also ensure that projects are all worked up to a similar standard before decisions are taken on whether the Council invests in any particular scheme. Where necessary additional funds can be allocated to develop a project so that costly changes are not made part way through.

- 4.4 It is proposed that the proposal in the 2006/07 budget for £200k for 'spend to save' initiatives can be used for pre-feasibility studies, and secondly the capital block for feasibility studies will be used to support the process.
- 4.5 External funding plays a significant part in allowing the Council to progress many of its projects. This process will contribute to ensuring bids for such funding are robust, and that the costs (both capital and revenue) are understood. It will also aid identification of risks to the Council.
- 4.6 It is proposed that a review of the revised procedures takes place in September 2006 to ensure that they are working effectively.
- 4.7 There will be no direct additional costs in implementing this process. However the strategic capital investment process should be overseen by a group of senior officers.
- 4.8 Member involvement will vary depending upon the nature of the project. With reference to Appendix E, this involvement could take place at a variety of stages including:
 - Development of the idea as a concept
 - Development of pre-feasibility work
 - Project appraisal

5. FINANCIAL CONTROLLER STATEMENT

- 5.1 The Council must ensure that its limited resources are used in the most effective way possible. This process gives the Council more control over its capital plan and ensures that resources are focussed on priorities.

6. CONSULTATION CARRIED OUT

- 6.1 Consultation has been carried out with Resources Scrutiny Committee, Corporate Executive Team, Cabinet Members and officers responsible for asset management and project management. There is a general consensus of support, although it has been asked that a review should take place after 6 months. This has been incorporated.

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

- 7.1 Proper management of the Council's capital plan underpins activity in all of the Council's policy areas.

8. ACTION PLAN

Task	Date	Responsibility
Disseminate process and related training to MMC, project managers and relevant staff	31/03/06	Principal Management Accountant
Appraise, score and prioritise projects	Ongoing	CET
Review of process	30/09/06	CET / Cabinet

9. RECOMMENDATION

- 9.1 Members recommend the approval of the enclosed capital programme prioritisation process, with a review to take place in September 2006.

DENBIGHSHIRE COUNTY COUNCIL

CAPITAL INVESTMENT PROGRAMME

GUIDANCE DOCUMENT

SECTION

Introduction

Responsibilities under the Council constitution

Identification of schemes for inclusion

Prioritisation of scheme submissions

Approval of the capital programme

Implementation of the capital programme

Monitoring of the programme

APPENDICES

Appendix A – Project Proposal Form and Guidance

Appendix B - Business Case Submission Form

Appendix C - Business Case Form Guidance Notes

Appendix D - Prioritisation Criteria

Appendix E - Flowchart

CAPITAL INVESTMENT PROGRAMME PROCESS

Introduction

The Council spends approximately £35m per year on major schemes included within the capital programme. It is funded through a variety of sources including grants, borrowing and capital receipts. All have an impact upon revenue budget and since April 2004 authorities are not limited in spend on capital investment as long as any plans can be funded. With insufficient resources to meet all aspirations the programme is aimed at meeting the Council priorities.

The Council effectively has three types of capital project: those that use 100% Council funding, those that are 100% externally funded and those that are partly externally funded but need a match element from the Council.

All projects need careful consideration before any commitment is made. Although a project may be 100% funded by another body, there are a number of issues that determine whether the Council should go ahead with the project:

- Project overspends will fall on the Council,
- The project may be high risk,
- The project may have significant revenue implications,
- The project may not be a priority for the Council.
- The method of operation of facilities after completion may put at risk the Council's Exempt Supply VAT position.(The capital element can also have a massive effect on the Council's VAT position if not properly dealt with.)
- whether the Council has enough staff to manage and administer the project
- There may be grant conditions to be monitored,

It is therefore vital that any prioritisation process considers these wider issues and does not simply focus on allocating scarce corporate funds. At a strategic level, it allows the Council to better understand and control its capital investments. At an operational level it represents good practice and does not require any additional information than should already be available to project managers.

Therefore all capital projects must go through this appraisal process.

The timescale for introduction is:

- **All new projects that have not yet been included in the Capital Plan must go through this process before they can be included in the plan.**
- **All block allocations currently in the 2006/07 Capital Plan must submit a Business Case to be included in the next Plan (ie for expenditure in 2007/08).**

The capital plan for 2007/08 onwards will be produced during the autumn of 2006. By this time all projects that expect to start in 2007/08 onwards must have gone

through this process, ie a business case submitted, appraised and where appropriate scored and prioritised. We will then have a clearly understood, prioritised programme.

Responsibilities as defined under the Council's Constitution and Financial Regulations

The Corporate Director of Resources is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by Cabinet before submission to the full Council.

All bids for capital expenditure must, in addition to the requirements of Financial Regulations, conform to the Capital Planning & Project Management Methodology.

The Corporate Director: Resources will prepare capital estimates jointly with Corporate Directors and the Chief Executive and report them to Cabinet for approval.

Corporate Directors must nominate a responsible officer who will formally be accountable for the project. The responsible officer should continually monitor the project to assess progress against the approved budget. The Director of Resources should immediately be informed of any significant variation and provided with a monthly update for the Cabinet monitoring report.

The Chief Executive Officer has delegated authority to approve submission of bids for grant funding and to accept any grant offered, subject to any funding requirement from the Council being contained within existing budgets. Where such a funding requirement cannot be afforded from existing budgets, the consent of the Corporate Director: Resources as the Chief Finance Officer must be obtained before a bid is made or a grant offer accepted.

Identification of schemes for inclusion

Suggestions for schemes can come from Members and officers of the Council and from public consultation. Each Directorate should identify those schemes that they regard as priorities and that fit with service objectives, Directorate business plans and Service Asset Management Plans.

The Capital Investment Programme will usually be for projects over £5,000. The Property Block Allocation is for all major asset maintenance works. Any projects costing less than £5,000 should generally be met from departmental revenue budgets.

All schemes require a project appraisal if they are to be considered for inclusion in the capital programme. This is in the form of either a project proposal form (for smaller projects) or a Project Initiation Document for larger projects setting out the justification for the project, the resource implications and expected outcomes.

Business Cases have to be submitted, in the prescribed form, to the Financial Controller. This will generally be done once a year to coincide with the preparation of

the Council's Capital Programme. Projects will be considered at other times of the year in appropriate circumstances. They will still require completion of a business case and to be scored.

Appendix A – Capital Investment Programme – Project Proposal Form and Guidance

Appendix B - Capital Investment Programme - Project Initiation Document Form.

Appendix C - Capital Investment Programme – Project Initiation Document Guidance

Project Management

The Council is developing its project management procedures and will be promoting the proper use of project management throughout the organisation. A successful capital programme relies on well managed projects. To this end, the capital programme will adopt the Council's Corporate Project Management Methodology and make use of its processes and documentation. This has a number of advantages:

- The use of a single process for both purposes
- Introduces familiarity with project management processes and terminology
- Is built on good practice

Appendix E outlines the basic process to be followed. All projects will require a project proposal document to be completed. Once the Directorate has agreed to support the project, a decision is made about the scale of the project and either further work is carried out or the proposal is submitted for appraisal.

Appraisal & Prioritisation of scheme submissions

With insufficient resources available to meet all submissions they are evaluated against the prioritisation criteria that reflect the Council priorities. These criteria are reviewed each year by the Capital Strategy Group to ensure that they reflect the latest plans.

The submitted Business Cases are reviewed and scored by Asset Management and Finance departments to produce a list in priority order that will be referred to the Capital Strategy Group.

Submissions for the Property Maintenance programme will be managed by the Asset Management department and be subject to prioritisation against the Asset Management Plan.

The Council has a block allocation in its capital programme for feasibility studies. Any project that scores sufficiently to be recommended for inclusion in the capital programme may need to carry out further work funded from this block to ensure that assumptions and costings are robust. Eg ground surveys, structural surveys etc.

If this further work demonstrates that initial assumptions are correct the project should continue. If it appears that initial assumptions may be materially affected then the project sponsor should immediately inform the Financial Controller who will report to Cabinet.

Block Allocations

The Council currently allocates blocks of funding to ongoing capital programmes such as highways maintenance and school buildings. The amount allocated to these blocks is not regularly reviewed against requirements.

These programmes should submit a bid for funding for a 3 year programme of works that gives an indication of their intended projects. This may simply be extracts from the relevant Asset Management Plan with any additional information as required. These will then become rolling 3 year programmes that will allow managers to bid for additional resources as necessary.

Programmes of Work

Some projects are not 'stand alone' but part of a larger programme. They will have a defined timescale and will not be funded through block allocation, eg a refurbishment programme. These programmes need to submit a bid to cover the life of the programme (or 3 years whichever is the shorter period).

Externally Funded Schemes

The Council is able to access significant levels of external funding for capital projects. Where external funding requires match funding then the appropriate proposal form needs to be completed to ensure that the project scores sufficiently for the match funding to be allocated. (Note: if block allocations are to be used for match funding, they will have already been subject to appraisal)

Where projects are 100% grant funded they will still be expected to submit a proposal to ensure that the grant conditions, risks, revenue implications and outcomes are clearly understood.

No formal bids for external funding should be submitted until a proper proposal has been prepared, appraised and scored.

No formal bids for external funding can be submitted without the agreement of the Corporate Director of Resources, where additional funding is required.

Appraisal of Projects

Once Proposals have been submitted, all projects will be appraised by a small group and a recommendation made to CET that the project should be:

- Rejected as unsuitable for the short / medium term

- Deferred for further work to be carried out
- Approved for inclusion in the prioritised list of schemes. (This approval may be subject to conditions such as further survey work, review of costs etc)

Once CET have agreed the recommendations, the prioritised list will be presented to members to be included as part of the Capital Plan.

Approval of the Capital Programme

A capital programme report will be produced for Cabinet which provides an update on existing projects identifies available resources and includes a prioritised list of new schemes.

Cabinet will make a recommendation to Council over schemes proposed for inclusion in the plan and it is for full Council to then consider and approve the capital programme.

Implementation of Capital Projects

After Council approval Corporate Directors issue instructions to commence work on approved schemes. There should be no expenditure incurred that is outside the scope of the approved programme and no expenditure can be incurred before the programme is approved.

Corporate Directors are responsible for ensuring that all contracts are properly procured in accordance with the Contract Procedure Rules. For projects in excess of £50,000 the full tendering procedure must be followed and for those between £10,000 and £50,000 3 written quotations are required. If the returned quotations exceed this threshold then subsequent formal tendering procedures should be adopted.

Monitoring of the programme

Departmental Corporate Directors are expected to have processes in place to regularly review the performance of projects, to identify progress compared to key dates and targets. Any financial issues should be referred to the Corporate Director of Resources.

Each department has regular meetings to review the progress of schemes against the approved capital programme and also the financial position/ projections.

Monthly capital monitoring reports from the Lead Member for Finance and Personnel are submitted to Cabinet. This report relies heavily on the relevant project managers providing timely and accurate information to the Financial Controller.

There are also end of the financial year reports to Scrutiny Committees and Cabinet reviewing the capital programme.

Responsibility for financial management within the Council, including the capital programme, is with the Corporate Director of Resources, however, all officers involved have a responsibility to ensure that monitoring reports are comprehensive and reflect all current expenditure and commitments.

Project Title					
Project Ref		Proposal Date		Budgeted?	Yes / No
Lead Directorate or Service Area		Project Proposer		Project Sponsor	

① Project Background

①a Corporate Objectives

①b Council Priorities (School Buildings, Highways, Public Realm)

①c Response to Statutory Requirement (e.g. H&S)

② Project Deliverables

③ Project Plan / Key Dates

④ Project Team / Resource Requirements

⑤ **Project Budgetary Analysis**

Additional / Supplementary Information

e.g. Risk Assessment, Quality Review, Sustainability Assessment, etc.

Decision of Authorising Officers

Proposal considered by Corporate Director: y/n <small>Delete as appropriate</small>		Date:	Signature:
1	Abandon Proposal	Please Tick	Comments
2	Revise Proposal		
3	Project Pending		
4	Progress With Project Plan		
5	Progress With Project Initiation Document		
Approval (Project Sponsor) :		Date:	Acknowledgement (Project Proposer) : Date:

Magnitude and Scale Assessment:

Score the project on a scale of 1 – 5 (low to high) against each of the criteria headings

	Scale Criteria	Score	Names of Advising Officer(s)/Members
1	Level of Risk for Council		
2	Resource level required		
3	Public Profile/Sensitivity/Impact		
4	Priority		
	Total (Multiply scores 1,2,3,&4 together)	_____	
	Magnitude Banding (1,2 or 3)	_____	

Total Score Banding: 1 = 1 - 54

Magnitude Banding	Total Score Bandwidth
1	1 to 54
2	81 to 144
3	192 to 625

Proposals scoring 81 or above **MUST** complete a Project Initiation Document for approval *in addition* to the Project Proposal/Mandate.

Guidelines for Completion of the Project Proposal & Mandate

Purpose of Document

Any project undertaken by, or within, DCC which has implications of liability of any form for the Council must have an authorised and approved proposal before starting. This requires any potential idea to be thought through to ensure that there is merit in developing the idea into a project. As a minimum the information referred to below should be provided – the precise level of detail will be determined by the Project Sponsor. Greater detail for complex/high-risk projects is provided subsequently in the Project Initiation Document. However certain mandatory information must be provided particularly for simple, low-risk projects which have a significant element of capital investment and need to comply with Corporate approval and planning requirements.

Responsibilities

The Project Originator is the person who had the original idea for the project and thinks it should be taken further. This may be a nominated person if the idea came from a group of people or in response to an external initiative. The Project Sponsor is a senior person who will have executive authority, ultimate responsibility and final accountability for the project. This will typically be a Corporate Director. In some instances it may be appropriate for a Head of Service to take this role. At this stage the Project Sponsor considers the proposal, and undertakes an assessment to determine the appropriate management and monitoring arrangements for the project. They then give their approval for project development to progress. This will involve approval by the Financial Controller for Capital projects. Once signed approval has been secured for the Proposal, the document becomes the Mandate for the project to proceed and is stored as part of the project file.

Completing the Document:

A *brief* response should be given in each of the sections. Greater detail would be included in the Project Initiation Document/Project Plan as determined by the appropriate initial Project Magnitude Assessment. The information included here will provide the basis for developing this.

Key Strategic Questions:

Before seeking approval of the proposal, check that you have provided the information required in each section. Any omission is likely to result in a request for review. It is essential that the project is aligned with the Corporate Objectives and Council Priorities and this is clearly demonstrated in Section 1.

If the Capital value of the project exceeds £100k, the Financial Controller must consider the proposal to accord with the Corporate Capital Planning processes and Financial Regulations

Appraisal and Scoring

If your directorate supports this project, then it will either require to be worked up into a full Project Initiation Document which will be appraised and scored, or, for smaller projects, this proposal form will be scored. You should therefore complete this form in such a way that an independent person could understand it sufficiently to make an informed decision.

Scale

You will be expected to make an initial judgement on the scale of your project. That is the potential impact it could have on the Council. The higher the score, the greater the impact. There are no specific guidelines on how to score, it is based on your management judgement.

Level one projects under £100k will only need to complete a project proposal. Once this is approved by your Directorate, it can be submitted to the Financial Controller for appraisal.

Level one projects over £100k or Level 2 and 3 projects that have been approved need to complete a Project Initiation Document. This PID is then submitted to the Financial Controller.

① Project Background

Strategic Context

Explain the 'business rationale' for the project, i.e. why the project is needed. Describe the need/demand and specify how fulfilling it aligns with which particular Corporate Objectives, Council Priorities or Responsibilities (specify at a, b, and c) and other Approved Plans or Agreed Strategies.

Stakeholders

List the known stakeholders in the project. Indicate whether they are internal or external to DCC

Corporate Objectives

The application should demonstrate how the project links to one or more of the Council's objectives. This should be a clear statement that includes how it contributes to improving service in that area and should only include clear attributable links and not secondary or vague links.

Council Priorities

The Council has stated that its priority investment areas are school buildings, highways and public realm. If appropriate, you should detail how your project directly affects these.

Legislative Requirements

There are a number of requirements that are governed by law. If this project prevents us from contravening any legislation or will ensure we are able to meet upcoming legislative changes they should be detailed here. Again be clear how the project will achieve this.

② Project Deliverables

Impacts, Outputs and Outcomes

- a) Describe *specifically* what will happen as a result of the project – e.g. new buildings, refurbishments, extensions, new business/service activities, etc.
- b) Explain who the project beneficiaries are and the nature of the benefits that will be derived from it
- c) List the success criteria – how will you know the project has been successful
- d) Define Performance Indicators – these should show whether the project is progressing and intentions are being realised.

③ Project Plan / Key Dates

Activities and Processes

- a) Itemise what it will involve doing
- b) At which point(s) will Member involvement &/or Council/Cabinet Decisions be required?
- c) Describe any 'obvious' stages or progress phases
- d) Describe time scale and constraints for the project

④ Project Team / Resource Requirements

- a) Identify skills knowledge and attitudes which will be required by the project team (If there is a 'skills shortfall' indicate how it will be addressed)
- b) Suggest/recommend project team members
- c) Specify any specialist resources which are required

⑤ Project Budgetary Analysis

- a) Itemise Maximum *Indicative* Project Costs to show scale and size of project
- b) State how much funding has been/will be secured
- c) Identify the actual/proposed sources of funding
- d) Flag any funders' compliance issues that need to be accommodated within the project plans (e.g. European Funding audit trail/match funding apportionment methodologies)
- e) Distinguish between:
 - a. Project Capital Costs
 - b. Project Revenue Costs
 - c. Sustained Operational Running Costs

Additional / Supplementary Information

e.g. Risk Assessment, Quality Review, Sustainability Assessment, etc.

Risks

- a) Detail known risks of undertaking this project
- b) Indicate likelihood and impact of each risk occurring

Quality Standards

- a) Outline any known specification requirements
- b) Indicate any known quality standards to which the project will work

Decision of Authorising Officer(s)

Proposal considered by Financial Controller: y/n <small>Delete as appropriate</small>		Date:	Signature: ***
1	Abandon Proposal	Please Tick	Comments Include here any qualification or reasoning for the option ticked. Specify who is responsible for the next course of action – if known – and by when it should be completed.
2	Revise Proposal		
3	Project Pending		
4	Progress With Project Plan		
5	Progress With Project Initiation Document		
Approval [Project Sponsor]:		Date:	Acknowledgement [Project Proposer] : Date:

Magnitude and Scale Assessment:

Score the project on a scale of 1 – 5 (low to high) against each of the criteria headings (This should be completed before consideration by the Financial Controller)

Scale Criteria	Score	Names of Advising Officer(s)/Members
1 Level of Risk for Council		
2 Resource level required		
3 Public Profile/Sensitivity/Impact		
4 Priority		
Total (Multiply scores 1,2,3,&4 together)	_____	
Magnitude Banding (1,2 or 3)	_____	

Total Score Banding: 1 = 1 - 54

Magnitude Banding	Total Score Bandwidth
1	1 to 54
2	81 to 144
3	192 to 625

Proposals scoring 81 or above MUST complete a Project Initiation Document for approval *in addition* to the Project Proposal/Mandate.

APPENDIX B
Project Initiation Document
DRAFT ONLY

Project Title	
Project Ref.	
Issue Level	
Issue Date	
Project Manager	
	<p>I confirm the business case has been prepared with all reasonable care and will immediately notify the Financial Controller should there be any likely changes.</p> <p>Signed: _____ Date: _____ Project Sponsor</p>
	<p>I confirm that costs and funding are correct and that any revenue implications are properly budgeted for.</p> <p>Signed: _____ Date: _____ Management Accountant</p>
	<p>I confirm this project is a departmental priority, all legislation and corporate guidance will be followed and there are the necessary resources to manage it successfully within the budget and timescales shown in the business case.</p> <p>Signed: _____ Date: _____ Corporate Director</p>
	<p>For Use by Resources</p> <p>Appraised by (please initial): Finance _____ Project Score: _____ Asset Management _____</p>

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3.3 Timings / Action Plan.....	5
3.4 Assumptions.....	5
3.5 Other Information (If Required).....	5
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Appendices

- A. Project Organisation
- B. Risk Assessment
- C. Project Quality Plan
- D. Sustainability Assessment
- E. Authority to Proceed

1. Project Background

1.1 Mandate / Justification

Have you completed a Project Proposal Form and had it approved by your Corporate Director?

1.2 Project Approach / Strategy

How will you manage the project?

1.3 Assumptions

List any key assumptions

1.4 Other Information (If Required)

2. Project Deliverables

2.1 Scope

Briefly, what is the project and what will it do?

Which Corporate Objectives will the project address and how?

Which of the Council's Priorities does your project address? (School buildings, highways, public realm)

Is this in response to a statutory requirement? (eg Health and Safety)

2.2 Outputs

What measurable outputs will the project generate?

2.3 Stakeholder Analysis

Who will be affected by your project and have they been consulted? Include any statutory requirements (eg planning permission)

2.4 Outcomes

What will the outcomes of your project be and how will they be measured?

2.5 Assumptions

List any key assumptions

2.6 Other Information (If Required)

3. Project Plan

3.1 Project Objectives (SMART)

List your project's objectives. Also list any key milestones.

3.2 Project Reviewing Meetings / Reporting Schedule

Who will you report to and how often regarding the progress of your project?

3.3 Timings / Action Plan

How often will you review your project plan?

3.4 Assumptions

List any key assumptions

3.5 Other Information (If Required)

4. Project Team / Resource Requirements

4.1 Project Team Structure

How will the project be managed? Which skills will you require and have you identified the staff involved?

4.2 Project Input Requirements

What resources (other than the money and staff will you require to complete your project?

4.3 Project Interface List (Wider Project Team)

Outside the immediate project team, who are the key people that will be affected or will need to know about your project? How will you update them?

4.4 Assumptions

List any key assumptions

4.5 Other Information (If Required)

5. Project Finance Analysis

5.1 Costs and funding

Show the capital cost of your project, estimated cash flow and sources of funding:

	2006/07				2007/08	2008/09	Total
	Q1 £000	Q2 £000	Q3 £000	Q4 £000	£000	£001	£000
Expenditure	0	0	0	0	0	0	0
Funding;							
Receipt	0	0	0	0	0	0	0
Grant	0	0	0	0	0	0	0
Programme	0	0	0	0	0	0	0

State how your costs have been prepared eg from detailed design, initial estimate, QS etc. How robust do you think they are?

List all grants and capital receipts and detail any grant conditions that may affect the project.

Will there be any revenue implications of the project? (E.g. increase / decrease in running costs) Have these been included in your revenue budget?

6. Option Appraisal

6.1 Option Appraisal

What other ways of delivering the project were considered and why were they rejected?

7. Appendices

7.1 Appendices

Must now complete the relevant appendices

Project Title				
Project Ref		Issue Level		Issue Date
Project Role Title	Name	Service Area / Function	Signature / Approval	Date
Project Sponsor				
Project Manager				
Project Board Chair				
Project Board # 1				
Project Board # 2				
Project Board # 3				
Project Board # 4				
Project Board # 5				
Project Board # 6				
Project Team # 1				
Project Team # 2				
Project Team # 3				
Project Team # 4				
Project Team # 5				
Project Team # 6				
Project Support # 1				
Technical Support # 1				
Project Assurance				

Project Title					
Project Ref		Proposal Date		Budgeted?	Yes / No
Lead Directorate or Service Area		Project Manager		Project Sponsor	

① **Project Handover**

② **Post Project Responsibilities**

③ **Post Project Operations Activities**

④ **Post Project Operational Costs**

⑤ **Post Project Budgetary Forecast**

Additional / Supplementary Information e.g. Risk Assessment, Quality Review, Sustainability Analysis, etc.

Project Title				Project Ref	
Approval Sought		Approval Given			

Project Team Title	Name	Service Area / Function	Signature / Approval	Date
---------------------------	-------------	--------------------------------	-----------------------------	-------------

Project Manager				
------------------------	--	--	--	--

Project Board Chair				
----------------------------	--	--	--	--

Project Board # 1				
--------------------------	--	--	--	--

Project Board # 2				
--------------------------	--	--	--	--

Project Board # 3				
--------------------------	--	--	--	--

Project Board # 4				
--------------------------	--	--	--	--

Project Board # 5				
--------------------------	--	--	--	--

Project Board # 6				
--------------------------	--	--	--	--

Project Team # 1				
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Project Team # 2				
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Project Team # 3				
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Project Team # 4				
-------------------------	--	--	--	--

Project Team # 5				
-------------------------	--	--	--	--

Project Team # 6				
-------------------------	--	--	--	--

Project Support # 1				
----------------------------	--	--	--	--

Technical Support # 1				
------------------------------	--	--	--	--

Project Assurance				
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CAPITAL INVESTMENT PROGRAMME
GUIDANCE FOR THE COMPLETION OF THE PROJECT INITIATION
DOCUMENT

To Follow

APPENDIX D

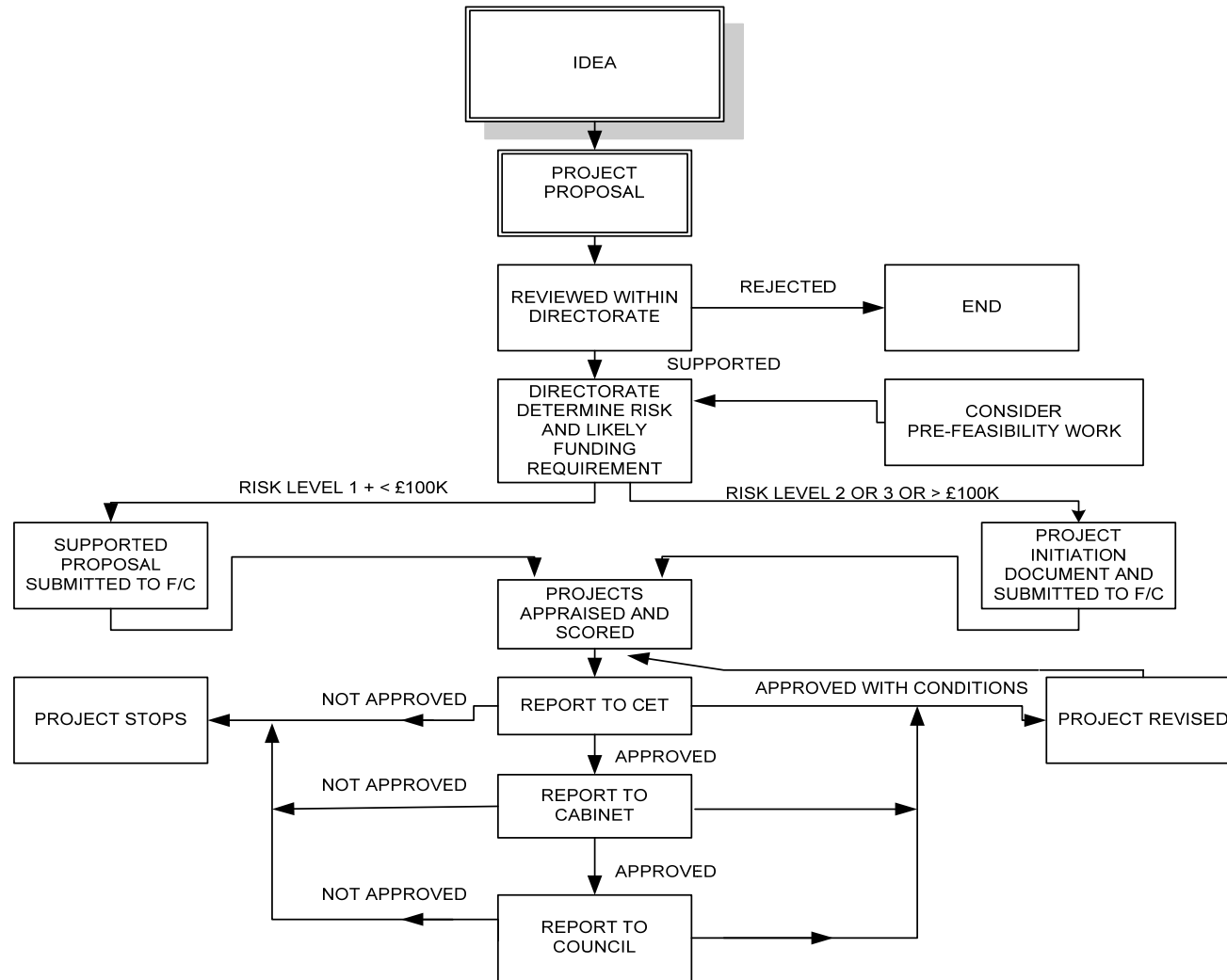
Capital Programme Scoring Methodology

Category	Criteria	Score
Corporate Objectives	Score 2 for each	2
Corporate Priorities	School Buildings	8
	Highways	6
	Public Realm	4
Statutory Requirement	Yes	10
	No	0
Revenue Implications	Savings	
	>£100k	5
	>£20k <£100k	3
	<£20k	1
	None	0
	Costs	
	None	0
	<£20k	-1
	>£20k <£100k	-3
	>£100k	-5
Risk	High	1
	Medium	3
	Low	5
External Funding	75% - 100%	5
	50% - 75%	3
	up to 50%	1
	None	0

NOTE**No option appraisal****Whole project scores 0****No risk analysis****Whole project scores 0****No cashflow forecast****Whole project scores 0**

Statutory requirement - If there is no alternative to the proposal as a solution to a statutory requirement, then there needs to be a strong argument if the proposal is not to proceed. There will however be occasions where there is more than one solution to a statutory issue.

CAPITAL PROGRAMME PROJECT APPROVAL PROCESS



REPORT TO: CABINET

CABINET MEMBER: COUNCILLOR P A DOBB, LEAD MEMBER FOR HEALTH & WELLBEING

DATE: 31ST JANUARY 2006

SUBJECT: IMPROVING THE COUNCIL HOUSING STOCK

1. DECISION SOUGHT

- 1.1 That the Cabinet recommend to the Council that the Housing Stock be retained and the Housing Stock Business Plan (HSBP) be implemented.
- 1.2 That the HSBP be monitored on a monthly basis with an annual report as part of the HRA budget setting process and a formal review of the options in 2009 to confirm progress to Welsh Housing Quality Standards by 2012.

2. REASON FOR SEEKING DECISION

2.1 Consultation with Tenants

- 2.1.1 Cabinet on 27th September 2005 approved further consultation with all tenants on the basis that the Improvement Programme can be delivered through the Housing Stock Business Plan (Stock Retention with Prudential Borrowing) whilst giving fair information about the alternative option of Stock Transfer.
- 2.1.2 A newsletter was circulated to tenants in November 2005 and copied to Members giving details of the Improvement Programme and a comparison of the benefits of each option.
- 2.1.3 A telephone survey of tenants was undertaken in late November/early December. An independent expert company contacted 500 tenants, selected at random, and confirmed that their results provide a statistically valid representation of the views of tenants across the County and types of property.
- 2.1.4 The full results of the survey are available. The key question was whether tenants would prefer to remain with the Council or consider transfer to Dyffryn Community Housing. 74% wished to stay with Denbighshire, 4% wished to transfer, 22% did not know.

2.2 Housing Stock Business Plan (HSBP)

- 2.2.1 The HSBP (or Stock Retention with Prudential Borrowing Model) has been updated to take account of new information and to prepare the Housing Revenue Account (HRA) Budget for 2006/07. The full version from August 2005 is available on the Council's website and the relevant changes were included in the Budget report to Cabinet on 17th January 2006.

- 2.2.2 Welsh Assembly Government has issued Housing Revenue Account Draft Determinations for 2006/07 of Management and Maintenance Allowance of £1,545 per property (4.75 % increase) and Notional Average Rent of £49.25 per week (4.48 % increase). These figures have a significant impact on the HRA Subsidy and, therefore, on the HSBP. Previous assumptions had been limited to increases in line with inflation and the overall impact is an improvement in the viability of the HSBP.
- 2.2.3 The number of Right to Buy Sales is critical to the HSBP. Sales in 2005/06 were estimated at 60 reducing by 1 each year for 30 years. Sales to the end of December 2005 were actually 39 so the figure of 60 for this year is now unlikely to be achieved. However, the average valuation per property has increased. The HSBP has been revised to include a figure of 50 sales this year reducing steadily by 1 per year – this does have an impact on the Plan but it remains viable.
- 2.2.4 WAG agreed that the Council could proceed with the HSBP 'at its discretion' but expressed concerns about the viability of the Plan given the sensitivity of assumptions and variables. These have also been stressed by the Independent Tenant's Adviser, and in the "Due Diligence Report" commissioned from Tribal Financial Consultants. WAG also requested that the views of the Wales Audit Office should be obtained. The Council's Auditor has expressed concerns that the HSBP operates on very tight financial margins and there is therefore very little scope for adverse variation in the assumptions. Following a meeting and the provision of further detailed information he has confirmed that he is now comfortable that due consideration has been given to potential variances, subject to regular monitoring. The letters from the Welsh Audit Office are included in Appendix 1 and 2. Therefore, all of these bodies have confirmed that the Plan does appear to provide a way forward, subject to careful monitoring. Welsh Housing Quality Standards can be achieved by 2012 and maintained thereafter whilst retaining adequate balances on the HRA.

2.3 Stock Transfer Option

- 2.3.1 This option remains open to Denbighshire provided that it received the support of tenants in a postal ballot following the issue of a formal offer document on the transfer of the stock to Dyffryn Community Housing Ltd.
- 2.3.2 WAG Officers have asked that Denbighshire Members and tenants are made fully aware of the potential financial advantages of the Stock Transfer option. These include that the Treasury will write off overhanging debt, HRA Subsidy will not be paid to WAG and Capital Receipts from preserved Right to Buy will be retained by the Council. However, other costs such as VAT will become payable and the Council Fund will have to absorb or delete costs currently paid by the HRA. The newsletter to tenants contained information on these comparisons.

- 2.3.3 The Stock Transfer model has been updated and it does provide a significantly better financial outcome mainly because of the additional payments to WAG and the Treasury. However, these are less significant in the early years of the plan. In later years, unless financial rules change, Dyffryn Community Housing would have substantial surpluses, which could be used for other purposes such as new house building.
- 2.3.4 Despite the financial advantages of Stock Transfer in the longer term it is clearly not supported by tenants at present and the process of transfer is complex and expensive. It does not appear, therefore, that it could be delivered even if it were retained as the preferred option.

3. POWER TO MAKE THE DECISION

Housing Act 1985.

4. COST IMPLICATIONS

- 4.1 The full costs of the HSBP are covered by the rental and other income. The plan will need to be monitored regularly, with an annual report as part of the HRA budget setting process to ensure that variable factors do not adversely affect it. The costs of the investigations and consultations so far will be charged to Capital Receipts Unapplied.
- 4.2 Rents charged, and management costs and maintenance provision for capital and revenue, are very similar in each model. Rents will increase by approximately 3% above inflation each year until 2012 when they will reach "benchmark".

5. FINANCIAL CONTROLLER STATEMENT

Costs incurred to date on this matter can be funded from within the unused capital receipts from past sales of houses.

The draft budget proposals for 2006 to 2009 allow for the estimated impact upon the Council Fund of stock transfer from part way through next financial year. These assumptions will be reviewed following debate at full Council but will in any event slip by a full financial year.

6. CONSULTATION CARRIED OUT

- 6.1 This process has been the subject of extensive consultations over several years. Recent consultations with tenants have included the newsletter and survey described above.

- 6.2 The Housing Options Working Party involving Members and Tenant Representatives met on 11th January 2006 to consider this report in draft. The Working Party supported the recommendations below but expressed concerns about the financial differences and the potential impact on Affordable Housing provision. They also requested further consideration of increased involvement of tenants in the future - which is still being investigated.
- 6.3 The draft report was also presented to Scrutiny Committee on 9th January 2006. The Committee deferred making a comment on the report until Members had attended the subsequent Seminar, with each Councillor having another opportunity to comment at full Council.
- 6.4 The seminar for Members and Tenant Representatives was held on 13th January 2006 to give more information on the options and to make available any background papers required.

7. IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

The improvement of housing will have benefits for community development and energy efficiency policies and health and well-being for tenants. Rent increases above inflation would impact on Anti-Poverty Policies. The level of tenant involvement in the future will have implications for community governance.

8. ACTION PLAN

The Head of Housing and Financial Controller should establish “milestones” to measure progress with the Housing Stock Business Plan (HSBP), agree these with the Wales Audit Office and tenant representatives, and include appropriate reports to Cabinet with the monthly monitoring of the Housing Revenue Account (HRA) and the annual budget report on the HRA, with a formal review in three years time.

9. RECOMMENDATIONS

- 9.1 That the Cabinet recommend to the Council that the Housing Stock be retained and the Housing Stock Business Plan be implemented.
- 9.2 That the HSBP be monitored on a monthly basis with an annual report as part of the HRA budget setting process and a formal review of the options in 2009 to confirm progress to Welsh Housing Quality Standards by 2012.

Mr A Evans
Director of Corporate Resources
Denbighshire County Council
Council Offices
Wynnstay Road
Ruthin
Denbighshire

Date 10 January 2006
Our reference DKJ/01/06
Your reference
Tel No 01244 288530
Fax No 01244 288531
E-mail
Pages 1 of 3

Dear Alan

Housing Stock Business Plan

Following a request from you, we have reviewed the Council's revised Housing Stock Business Plan (HSBP) (August 2005), together with feedback from the Assembly and Tribal HCH.

There appears to be a consensus that the HSBP operates on very tight financial margins and there is therefore little scope for adverse variation in the assumptions. We concur with the conclusions reached by Tribal HCH and share their concerns regarding a number of assumptions contained within the HSBP. In particular, we have concerns regarding proposed rent increases, the robustness of anticipated RTB sales projections, the achievability of management cost savings and the assumptions regarding building related expenditure (improvements plus repair and maintenance) inflation and debt management expenses.

The HSBP requires annual rent increases of 3% plus inflation until the rent reaches the Benchmark rent in 2012/2013. This is a significant year on year increase, particularly when one considers the current low levels of inflation; the total required increase would be more than twice the rate of inflation. The sensitivity analysis conducted by Tribal HCH indicates that if rents were to rise by 1.99% (rather than 3%) plus inflation then the HRA would go into deficit in 2014/2015. The Council therefore needs to be certain that it is committed to implementing the required increases and its tenants are content to pay.

It is accepted that RTB sales are inherently difficult to forecast and are beyond the control of the Council. It is however clear that RTB sales levels have a significant impact upon both the expenditure and the income assumptions in the HSBP. The HSBP anticipates 60 properties being sold in 2005/2006 which is significantly lower than the 133 sales in 2004/2005 and 262 sales in 2003/2004. We understand that actual sales to 31 December 2005 are 40, which equates to 53 for the year. There would therefore appear to be the potential for a 10% variance in relation to RTB sales in year 1 of the HSBP.

Moreover, the HSBP anticipates sales reducing by 1 per annum throughout the 30 year period. The Council therefore anticipate sales decreasing throughout the period where rents are planned to increase by significantly more than inflation, ie between 2005/2006 and 2012/2013. We are uncertain that that assumption is realistic. In view of the far reaching implications of various sales levels on both income and expenditure, we would suggest that the Council needs to test the impact of varying sales levels and patterns on the HSBP.

The HSBP requires, unidentified to date, revenue savings of some £11.5 million to be realised over its life. We understand that these savings relate to Management costs. It is imperative that these savings be clearly identified and the potential impact upon tenants and staff considered.

Information provided by Savills indicates that the Council needs to spend some £160 million on the repair, maintenance and improvement of its housing stock over the period of the HSBP. The HSBP anticipates that these building related costs will increase at a rate of 0.5% pa above inflation. Tribal HCH have highlighted the fact that building costs have increased by some 2% pa above the rate of inflation in recent years. The sensitivity analysis conducted by Tribal HCH concludes that if 'repairs costs' actually increase by 2% pa over inflation for the first five years and then fall to 0.5% pa above inflation, the HRA goes into deficit in 2014/2015. In our view, the assumption contained in the HSBP is unlikely to be achieved. Furthermore we have doubts about the ability of improved procurement arrangements delivering the savings anticipated in the Tribal HCH analysis.

One issue not highlighted by Tribal HCH is the assumption regarding debt management expenses remaining constant at £7,000. The HSBP anticipates HRA debt doubling by year 7 and remaining at that or a higher level until the final 10 years of the plan. At year 28 of 30 it remains above the opening level. The HRA will need to bear a proportion of total debt management expenses, based upon proper practice. It appears to us that, in the light of the significant increase in HRA debt, it may not be reasonable to assume £7,000 throughout the period of the HSBP. We appreciate that this is a relatively small item of expenditure, but in view of the comments contained elsewhere in this letter, it may prove significant over a 30 year period.

The analysis undertaken by Tribal HCH demonstrates that, taken individually, potential variances relating to the assumptions in the HSBP will result in the HRA going into deficit. In our view, it is therefore clear that, when considered together, there is a significant risk that the HRA will go into deficit in the first 10 years of the HSBP.

Our reference: DKJ/01/06

Page 3 of 3

Your reference:

Date:

10 January 2006

In the circumstances, we consider that there is a need for all of the assumptions contained within the HSBP to be revisited, particularly those highlighted above before the Council proceeds. A risk assessment of the assumptions should be made, to assess the probability and extent of variances. This should facilitate the determination of a 'best', 'worst' and 'likely' case scenario, together with the associated probabilities.

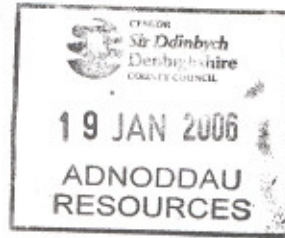
Could I ask you to keep me informed of developments and what course of action is finally determined.

Yours sincerely

Kevin Emmitt
Audit Manager



Mr A Evans
Director of Corporate Resources
Denbighshire County Council
Council Offices
Wynnstay Road
Ruthin
Denbighshire



Date	19 January 2006
Our reference	DKJ/02/06
Your reference	
Tel No	01244 288530
Fax No	01244 288531
E-mail	
Pages	1 of 2

Dear Alan

Housing Stock Business Plan (HSBP)

As you will be aware, David Jones of the WAO Technical Unit met with Paul Quirk, Barry Shinn and Richard Weigh on Friday 13th January to discuss our conclusions regarding the HSBP, which were contained in our letter of 10th January.

The information provided at, and subsequent to, that meeting is useful and provides comfort that due consideration has been given to potential variances which may arise in the assumptions contained within the HSBP.

There is consensus amongst all the external agencies / bodies that have reviewed it, and it is recognised by Council Officials, that the HSBP operates on very tight financial margins and there is therefore little scope for adverse variation in the assumptions.

If the Council does decide to proceed with the HSBP, then it is clear that regular monitoring of actual compared to plan will be required and appropriate action taken to address the impact of any adverse variances. We therefore recommend:

- Housing budgets be monitored on a monthly basis, in line with normal practice within the authority and the reasons for all significant variances be identified and evaluated;
- The required savings in Management costs be identified and the impact upon tenants and staff be evaluated;
- The HSBP be updated each year, in recognition of the tight financial margins, or earlier where monthly monitoring reveals significant adverse variations; this will involve reviewing all assumptions contained within the plan; and
- RTB sales and values kept under regular review and taken into account in updates to HSBP.

If the Council proceeds, in view of the high level of risk associated with the HSBP, we shall clearly need to review the position on a regular basis,

We note from the Assembly letter dated 19 September 2005, the requirement that you provide it with a timescale and 'milestones' for the delivery of Welsh Housing Quality Standards. It is clear that the Assembly expect us to have a role in monitoring delivery of the 'milestones'. What form this role will take is not clear at the present time and we will make enquiries and provide you with further information as soon as we are able. In the meantime could you please keep us informed of the Council's decision on the HSBP and depending on this decision the development of the 'milestones'.

If you have any further queries please feel free to contact us.

Yours sincerely



Kevin Emmitt
Audit Manager



REPORT TO CABINET

CABINET MEMBER: COUNCILLOR ERYL WILLIAMS, LEAD MEMBER FOR THE ENVIRONMENT

DATE: 31 JANUARY 2006

SUBJECT: DENBIGHSHIRE COUNTY COUNCIL (HIGH STREET AND CHURCH LANE) COMPULSORY PURCHASE ORDER 2004

1 DECISION SOUGHT

To extend the indemnity agreement currently in place until 31st October 2006 following its expiration on 31st January 2006

2 REASON FOR SEEKING DECISION

2.1 As Members will be aware planning permission was granted to Mercian Developments Ltd in November 2000 (planning permission number 43/9200920/97/PO) to build a food store and associated facilities on land to the rear of the High Street, Prestatyn which Tesco wishes to implement. The said planning permission is an outline permission and Tesco has applied to extend the period in which development can commence up to November 2007.

2.2 Members may recall that Tesco has requested the Council to use its compulsory purchase powers under Section 226 of the Town and Country Planning Act 1990 to deliver all the land it requires for the development permitted under the planning permission referred to above. The reason for this request was that it could not acquire all the land it required by agreement and in particular land owned by Somerfield. The powers referred to above allow the Council to acquire land compulsorily in order to secure the carrying out of development, redevelopment or improvement and Tesco asked the Council to use its powers to facilitate regeneration of the High Street, Prestatyn. Tesco agreed to meet the Council's costs of making the order (see 2.3 below)

2.3 Members have previously confirmed the use of compulsory purchase powers on 25th June 2003. The requisite order was made in May 2004. The Council has the benefit of an indemnity agreement whereby the Tesco indemnifies the Council against the costs it incurs in exercising its compulsory purchase powers and to vest the land so acquired in Tesco to enable it to implement its planning permission

2.4 A number of objections have been lodged to the compulsory purchase order and the National Assembly for Wales has now appointed an Inspector to hold a public inquiry into those objections for six days from 14th March 2006. A public inquiry is required to determine the objections received, the Council

cannot confirm the order and bring it into effect whilst there are objections which are not withdrawn.

- 2.5 The Inquiry date and decision by the National Assembly for Wales will extend beyond the life of the indemnity agreement and it is therefore suggested that the said indemnity agreement is extended to 31st October 2006 and Members approval is sought in this respect.
- 2.6 The issue of extending the Indemnity Agreement was referred to Members on 27th September 2005 when it was RESOLVED that Cabinet defer the report to allow further discussions with Tesco's and following an agreement on timescales, the report be re-presented a future Cabinet meeting.
- 2.7 The matter is being referred back to Members given the imminence of the Inquiry date which was not known to Members at the time this report was last submitted to Members. Tesco's solicitors have advised that it is their understanding that their clients will commence the proposed development within the life of the current planning permission.

3 POWER TO MAKE THE DECISION

Section 226 of the Town and Country Planning Act 1990 and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976

4 COST IMPLICATIONS

Tesco has agreed to indemnify the Council so there will be a nil cost in respect of the compulsory purchase order provided that the Council does not wish at any stage to terminate the agreement. It should however be noted that the Counsel has advised that in terms of propriety payment by Tesco should be by a mechanism whereby the cost is first expended by the Council and then reimbursed. If the indemnity agreement were terminated for any reason by the Council then this would lead to reimbursement of Tesco's costs and possibly payment of damages by the Council. Such cost would be substantial.

At this point it is imperative that the indemnity agreement be extended as the Council will now incur most of its costs in relation to this matter at this stage not least in preparation for and arranging representation at the Inquiry referred to above, when the Council will be represented by Counsel, but beyond that in transferring the land acquired to Tesco to implement its development.

5 FINANCIAL CONTROLLER STATEMENT

Members are advised to note carefully the content of part 4 Cost Implications, in particular the final sentence of the first paragraph. The extension of the indemnity period protects the Council's position regarding costs.

6 CONSULTATION CARRIED OUT

Internal with the Corporate Executive Team

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

The proposed scheme has significant implication for the town of Prestatyn particularly in terms of community well-being and economic regeneration

8 ACTION PLAN

The County Clerk will arrange for the Indemnity Agreement to be extended by means of a Deed of Variation if authorization is given as referred to below

9 RECOMMENDATIONS

The County Clerk be authorized to affix the Common Seal of the County Council to a Deed of Variation extending the current indemnity agreement with Tesco to 31st October 2006 whereby it agrees to endeavor to acquire the land which is the subject of the compulsory purchase order by private treaty and in any event to bear the compensation and acquisition costs together with associated expenses incurred by the Council in the acquisition of such land the costs and expenses associated with the compulsory purchase order.

REPORT TO CABINET

CABINET MEMBER: Councilor P A Dobb, Lead Member for Health and Well Being

DATE: 17 January 2006

SUBJECT: Social Services Fees and Charges 2006/2007

1 DECISION SOUGHT

- 1.1 To agree the proposed increases in fee levels for providers of Nursing and Residential Care, Day Care and Home Care services for the financial year 2006/2007
- 1.2 To agree the proposed increases in charges to services users for Domiciliary services, Day Care services, Meals on Wheels and Local Authority Residential Accommodation services for the financial year 2006/2007

2 REASON FOR SEEKING DECISION

- 2.1 The 'Corporate Guidance of Setting Fees and Charges' states that these should be increased annually as a minimum in line with pay inflation. On this occasion the Department is proposing to increase the fees paid to providers by more than inflation and is also proposing to increase certain charges by more than inflation.

2.2 FEES

2.2.1 Domiciliary Fees

The Social Services Department has recently agreed a fixed fee for domiciliary services with private providers and banded rates for support provided in Learning Disability Community Living Projects.

All private providers are facing increased costs in the coming year in order to meet the demands of care standards: increased training requirements, for instance and recognition of bank holidays. In acknowledgement of these increased costs, the Department would wish to give an increase of 2% above inflation on average – some variation may be required to level fees within specific sectors. The final settlement will depend on confirmation of the budgetary situation following the general settlement for 2006/2007.

2.2.2 Residential and Nursing Fees

In 2004 the Welsh Local Government Association commissioned William Laing to develop a toolkit as a mechanism for calculating providers' costs and setting fee levels. Whilst accepting the broad principles of the toolkit it is difficult to use as it stands as we have not agreed the necessary weighting for the many variables.

There is no means to date of determining whether the homes within Denbighshire would fall in the 'floor' or 'ceiling' categories used in the toolkit. Care Forum Wales have recently produced a report on fair fee levels and are urging the Authority to use the toolkit in setting the new fees. The Department is working with the Finance Department to analyse the impact of the report and will continue to work with Care Forum to agree the way forward.

In the meantime we have to acknowledge the increased costs of the sector and the very real threat of home closures. New fire safety guidance will significantly increase their costs both in terms of increased staffing levels and requirements for fire delay measures within the structure of the buildings. In addition to this the national standard with regard to such issues as single rooms is still straining the resources of the sector. The Agenda for Change within the NHS will also impact on the salaries homes will be obliged to pay their staff and the terms and conditions they will have to offer in order to recruit and retain staff.

Denbighshire County Council currently pays slightly less than neighbouring authorities. Comparison tables showing the variation between fees across North Wales and between our proposed fees and the fees calculated by Care Forum Wales using their interpretation of the WLGA toolkit are shown in the Appendices 1 and 2.

The Department would wish to increase the fees by an average of 5%, allowing for negotiation with the sector on targeting the increases across the various types of accommodation.

The Department had originally intended to recommend an increase of 4.5%, 1½% above inflation. Further discussions with the providers and neighbouring authorities, however, have indicated that this would be insufficient. It would appear that other Local Authorities are intending to offer 5% which would widen the fees gap. This was discussed at the Special Scrutiny Committee on the 9th January when the committee proposed that a 5% increase should be recommended to Cabinet.

2.3 Charges for Domiciliary Services and Day Care

Appendix 3 shows the comparison between the current year's charges and the proposed increases.

2.3.1 Home Care and Project Work

The current charge for both the above is £8.75 per hour. This is also the rate we charge for Local Authority Home Care to service users who, due to their capital holdings, are able to meet the 'full cost' of their care. The Department is proposing that the 'full cost' figure for Local Authority Home Care and Project Work Support should now reflect the fixed rates for private Home Care - £11.55 per hour. The cost to the Department is still considerably more than the amount we are proposing to charge.

Increasing this charge will, to some extent, level the playing field for private and in house home care, ensuring that charges will be the same regardless of the provider. This will also reduce the perceived variation in charges across the County where service users are unable to access Local Authority Home Care and have been paying more for the equivalent private provision. There will still be some difference in that we pay private providers more for ½ hour calls and ¼ hour calls, an increased charge which is passed on to full payers. This remaining difference in the charge for Local Authority home care and private home care would need to be revisited in 2007/2008.

Therefore the proposal in 2006/07 would be an increase of £2.75 per hour for these affected service users.

It is proposed that the charge for all Home Care, Night Care and Project Work to services users who are financially assessed should increase in accordance with inflation.

2.3.2 Day Care

The recommendation made by the Department last year was to narrow the divide between the amount charged and the true cost of the service. It was decided to increase the cost of day care in incremental steps to £11 last year and £14.00 this year. It is also proposed that we increase the 'full cost' of Local Authority Day Care in accordance with inflation. This still falls a long way short of the amount we are charged by service providers, currently over £40 per day.

2.3.3 Work Opportunities

It is proposed that this is increased in line with inflation.

2.4 Charges for Local Authority Residential Homes

The full cost of accommodation in the Local Authority Homes is currently £355 per week. It is proposed that this should increase in line with the fee increases for the private sector, 1.5% above the cost of inflation.

2.5 Cost of meals

The cost of hot meals and frozen meals has remained the same for several years. In fact the cost to the Department of hot meals and their delivery is higher than the cost of a frozen meal. The Department would propose this year to differentiate between the two, increasing the cost of the hot meal to £2.60 per meal whilst retaining the £2.30 cost for frozen meals.

2.6 Monitoring the impact of increases in charges

As in previous years when charges have been increased, service users who are significantly affected will be identified and support will be offered in managing the

transition including assistance from the Welfare Rights Unit, where appropriate. Where people believe that the increased charge is causing them financial hardship the Department will encourage applications for a Waiver of Charges.

3 POWER TO MAKE THE DECISION

Section 127 of the Health and Social Services and Social Services Adjudications Act 1983 gives local authorities a discretionary power to charge adult recipients of non-residential services.

4 COST IMPLICATIONS

4.1 Fees

Assuming that the settlement for Social Services includes a 3% inflationary uplift, the impact of paying 2% above that figure would cost approximately £85,000 per ½%, an estimated £340,000 in total.

In view of the fact that this is £85,000 more than had originally been accounted for in budget plans, a funding shortfall of £85,000 will need to be filled from resources available to the Directorate.

4.2 Charges

Increasing the charge for day care over and above inflation would be expected to increase income by approximately £11,000 per annum.

Increasing the cost of Local Authority Home Care for those who can meet the full cost of their care would increase income by approximately £30,000 per annum.

5 FINANCIAL CONTROLLER STATEMENT

The proposed increase in fees paid to private sector providers creates greater demand on the social services budget but this is being met by additional funding being made available in the settlement for 2006/07.

The increases in charges to service users have been made to allow for inflation, or in the case of home care and project work, to bring the charges levied by the council closer to those charged in the private sector and nearer to a position of full cost recovery.

The impact of the proposals above has been built-in to the budget setting process for 2006/07 and the net effect must be contained within the resources available to the directorate.

6 CONSULTATION CARRIED OUT

The Department has been discussing the fees with Care Forum Wales, representatives of the residential and nursing home owners and with the

domiciliary providers at regular meetings. These proposals fall short of what is requested by those providers.

Consultation with regard to the increases in charges for day care took place prior to the report last year and has again been raised at a consultation meeting with representatives of users and carers. The group encouraged the Department to monitor any impact of the increased charges, carrying out risk assessments for any service cancellations. They also suggested that we should consider phasing in the higher cost of Home Care to full payers over two years.

Further consultation will take place with other consultation groups and we have encouraged the representatives to make written or verbal comments before the beginning of January – no such comments have yet been received.

7 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Charging and fee levels in Social Services do not impact directly on other policy areas.

8. BACKGROUND PAPERS

Tables as follows:

- Comparison of fees paid across North Wales
- Comparison of fees paid currently, proposed increased fees and the fees requested by Care Forum Wales for Residential and Nursing Homes
- Comparison of current charges to service users and the proposed increases.

9. ACTION PLAN

Further consultation with providers	February/March 2006
Letters to service users regarding new rates	March 2006
Increases in charges implemented	April 2006
Increased fees to providers	April 2006

10 RECOMMENDATIONS

That the proposed fee levels and charging rates for services provided in 2006/2007 are agreed for implementation from beginning April 2006.

APPENDIX 1
PROPOSED FEE INCREASES FOR CARE HOMES PROVIDING PERSONAL OR NURSING CARE 2006/2007
Comparison of current and proposed fees paid across North Wales

Residential	Wrexham		Conwy		Flintshire		Denbighshire	
	current	+ 5%	current	+ 5%	current	+ 5%	current	+ 5%
Elderly	274	288	288	302			276	290
VDE	344	361	368	386	342	359	342	359
Mentally ill	289	303	333	350	311	326	310	325
EMI	344	361	368	386	370	388	355	373
LD	327	343	357	375	350	367	352	370
Phys Dis under 65	370	388	404	424	401	421	385	404
Phys Dis over 65	344	361	333	350	292	306	295	310
Drug or Alcohol	289	3-3	317	333	311	326	310	325
Other							295	310
Nursing								
Elderly	447.63	470	444	466	449.63	472	450	472
Mentally ill	412.63	433	435	457	449.63	472	440	462
EMI	479.63	504	479	503	477.63	501	472	496
LD	418.63	440	458	481	449.63	472	451	473
Phys Dis under 65	460.63	484	505	530	498.63	523	493	517
Phys Dis over 65	447.63	470	435	457	449.63	472	439	461
Drug or Alcohol	412.63	433	419	440	449.63	472	440	462
Terminally ill							439	461
Other							439	461

APPENDIX 2
PROPOSED FEE INCREASES FOR CARE HOMES PROVIDING PERSONAL OR NURSING CARE 2006/2007
Comparison of proposed fees against the WLGA toolkit fees as presented by Care Forum Wales

RESIDENTIAL HOME CARE	Current Fees £	Proposed fees if increased 5%	WLGA toolkit Floor – for comparison	WLGA toolkit Ceiling – for comparison
Elderly	276	290		
Very Dependent Elderly or Blind	342	359	342	419
Mentally Ill	310	325		
Elderly People with mental Infirmary in EMI Residential Homes	355	373	371	448
Learning Difficulties	352	370		
<u>Physically Disabled</u>				
a. Under Pension Age (& disablement began under pension age)	385	404		
b. Over pension age	295	310		
Drug or Alcohol abuse	310	325		
Other	295	310		
NURSING CARE (including the Registered Nursing Care contribution)				
Elderly	450	472	479	556
Mentally Ill	440	462		
Elderly people with mental infirmity in EMI Nursing Homes	472	496	519	596
Learning Difficulties	451	473		
<u>Physically Disabled</u>				
a. Under Pension Age (& disablement began under pension age)	493	517		
b. Over pension age	439	461		
Drug or Alcohol abuse	440	462		
Terminally Ill	439	461		
Other	439	461		

**APPENDIX 3
SOCIAL SERVICES
PROPOSED INCREASES IN CHARGES FOR SERVICES APRIL 2006**

Domiciliary Services				
These are the unit costs for these services, the maximum weekly amount individual clients pay is calculated by an annual financial assessment. Service users who have more than £21,000 in capital are asked to pay the 'full cost'.				
SERVICE	CHARGE APRIL 2005 Less than £21,000	Proposed charge April 2006 – if inflation 3%	FULL COST APRIL 2005 More than £21,000	Proposed full cost April 2006 – if inflation 3%
Home Care	£8.75 per hour	£9.00	£8.75 per hour	£11.55
Night Care	£10.45 per night (sleep-ins only)	£10.75	£38.00 per night (sleep-ins only)	£39.15
Day Care	£11.00 per day £5.50 per 4 hrs	£14.00 £7.00	£24.40 per day £12.20 per 4 hrs	£25.10 £12.55
Work Ops	£7.10 per day £3.55 per 4 hours	£7.30 £3.65	£24.40 per day £12.20 per 4 hrs	£25.10 £12.55
Project Work	£8.75 per hour	£9.00	£8.75 per hour	£11.55
Meals on Wheels and Frozen Meals				
These charges are not financially assessed and are the same for all service users				
Frozen meals	£2.30 per meal	£2.30 per meal		
Hot meals	£2.30 per meal	£2.60 per meal		
Local Authority Residential Care				
These charges are financially assessed according to charging for residential accommodation guidelines.				
Full cost:	£355.00 per week	£373.00 per week	Based on inflation uplift of 5%	

REPORT TO CABINET

REPORT BY : IAN R MILLER, RETURNING OFFICER

DATE: 31 JANUARY 2006

SUBJECT: Discount on Community Council By-Election Charges

1. DECISION SOUGHT

That Cabinet revokes the decision made by Denbighshire County Council's Policy & Performance Committee on 9th July 1996 to grant a discount on by-election charges to Community Councils with less than 1000 electors.

2 REASON FOR SEEKING DECISION

The current policy is inconsistent with the corporate policy on fees and charges, which sets out from the outset the presumption of full cost recovery.

Section 36 (5A) of the Representation of the People Act 1983 confers the power for the Principal Council in which a Community Council is situated to recover any expenditure incurred in relation to holding an election of a community councillor. The current scale of charges for local government elections was agreed by Denbighshire County Council on 18th November 2003.

3 BACKGROUND

Local Councils with an electorate of fewer than 1,000 electors can benefit from a discount of 25% on certain costs associated with by-elections, and those with an electorate of fewer than 500 can benefit from a 50% discount. Councils with over 1,000 electors do not qualify. The scheme was adopted by the Policy & Performance Committee of Denbighshire County Council on 9th July 1996.

The policy is only applicable to the first by-election held in a year and does not apply to the Local Council Elections that are held every four years. Under the Local Elections (Parishes & Communities) Rules 1986 a By-Election will only occur if ten or more Local Government Electors of the Community / Community Ward request in writing to the Returning Officer an election to fill a Casual vacancy. If no request is received the Community Council can co-opt a member.

The policy is derived from a similar scheme operated in the former District of Glyndwr. No such scheme existed in the Boroughs of Rhuddlan or Colwyn.

Since the policy was adopted the way in which elections are administered has changed significantly. For example, the number of permanent postal voters has increased to around 15% of the electorate since the implementation of the Representation of the People Regulations 2001. Postal Voters must receive a postal ballot paper pack at a Community Council By-Election whereas Poll Cards are only

supplied on the request of the Community Council. The cost of Postal Voters packs under the current scheme would be discounted to smaller communities.

Of the 37 Community Councils within the County, 17 would currently qualify for a 50% discount, 9 would qualify for a 25% discount and 11 do not qualify for any discount under the current scheme [Appendix 1].

All background papers may be obtained from Gareth Evans, County Electoral Administrator, County Hall, Ruthin.

4 POWER TO MAKE THE DECISION

Section 36 (5A) Representation of the People Act 1983

5 COST IMPLICATIONS

There are no additional cost implications to revoking the current policy. It will save the Council money, with the full cost of any by-election being met by the community Council. The savings would equate on average to £500 for a Community By-Election for a Community of less than 500 electors [currently receiving a 50% discount] and £300 for a Community By-Election in a Community of less than 1000 electors [currently receiving a 25% discount].

The costs of extending the scheme to all Communities within Denbighshire would be estimated to cost an additional £2,500 to the authority. This is based on the presumption that all communities of more than 500 electors would receive a 25% discount in charges and on an average of 3 by-elections in Communities of over 1000 electors taking place within the County per year.

6 FINANCIAL CONTROLLER STATEMENT

The proposal does not involve additional cost for the Council.

7 CONSULTATION CARRIED OUT

The consultation document has been distributed to all 37 Community Councils on 20th September 2005 for comment. The consultation document indicated the cost implications involved with holding a by-election and the effect of the current discount scheme.

Responses were received from 5 Community Councils; no response has been received from 32 Community Councils. All 5 responses request that the current policy of granting a discount to smaller communities be maintained. Of the 5 communities that responded 2 would qualify for a 50% discount, 2 would qualify for a 25% discount and 1 Community would not qualify for a discount.

One response from a Community Council with more than 1000 electors suggested the current policy discriminates against larger communities and requests that the scheme is extended for all Communities within the County.

Consultation also took place with the five other local authorities in North Wales. Confirmation was received from all five that they do not operate such a scheme and that all community councils are recharged the full costs of holding by-elections.

8 IMPLICATIONS ON OTHER POLICY AREAS INCLUDING CORPORATE

Ensures compliance with the corporate policy on fees and charges which is based on the presumption of full cost recovery. It will also bring to an end the unequal treatment of different areas in the County.

9 ACTION PLAN

It is recommended that the decision should take immediate effect and that the County Electoral Administrator should inform all Community Councils of the decision.

10 RECOMMENDATIONS

That Cabinet revokes the current policy of giving a percentage discount on Community Council By-Election costs.

Cymunedau sy'n gymwys i ddisgownt o 50%
Communities Qualifying for a 50% reduction

Cymuned / Community	Rhif ar y Gofrestr - No on Register	Nifer Pleidleisiau Post / No of Postal Votes
Aberchwiler/Aberwheeler	271	31
Betws Gwerfil Goch	241	38
Bodfari	282	27
Bryneglwys	270	36
Cefn Meiriadog	327	55
Clocaenog	177	25
Cyffylliog	379	39
Cynwyd	452	34
Derwen	340	35
Efenechtyd	474	59
Gwyddelwern	405	66
Llandegla	414	58
Llandrillo	474	57
Llanelidan	241	42
Llangynhafal	489	101
Llantysilio	316	55
Nantglyn	267	26

Cymunedau sy'n gymwys i ddisgownt o 25%
Community's Qualifying for a 25% reduction

Cymuned / Community	Rhif ar y Gofrestr - No on Register	Nifer Pleidleisiau Post / No of Postal Votes
Henllan	629	91
Llanarmon-Yn-Ial	868	171
Llanbedr Dyffryn Clwyd	672	140
Llandyrnog	795	136
Llanfair Dyffryn Clwyd	871	112
Llanferres	594	116
Llanrhaeadr Yng Nghinmeirch	839	132
Llanynys	545	63
Tremeirchion, Cwm & Waen	959	123

**Cymunedau nad ydynt yn gymwys
Communities Not Qualifying**

**Bodelwyddan
Corwen
Dinbych / Denbigh
Dyserth
Llanelwy / St Asaph
Llangollen
Prestatyn
Rhuddlan
Rhuthun / Ruthin
Y Rhyl / Rhyl
Trefnant**

**CABINET
FORWARD WORK PROGRAMME**

REPORT TITLE	REPORT LEAD MEMBER / AUTHOR
FEBRUARY 2006	
Revenue Budget Monitoring Report 2005-2006 [including Procurement] <i>Provides an update of the Revenue Budget position for 2005-2006</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2005-2006</i>	Councillor P J Marfleet R Parry
Response to Consultation on Pensions	Councillor P J Marfleet A Evans
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Health Social Care and Wellbeing Annual Report	Councillor P A Dobb N Ayling
Corporate Quarterly Performance Report	Councillor P J Marfleet J Williams
Urdd Eisteddfod	Councillor S Roberts T Hughes
Delegations to Officers	I K Hearle
Social Worker's Pay	Councillor P A Dobb Roberta Hayes
MARCH 2006	
Revenue Budget Monitoring Report 2005-2006 [including Procurement] <i>Provides an update of the Revenue Budget position for 2005-2006</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2005-2006</i>	Councillor P J Marfleet R Parry
Beyond Area Partnerships <i>Consider proposals for the way forward beyond Area Partnerships</i>	Councillor E C Edwards A Evans
Update on Corporate Improvement Assessment	Councillor P J Marfleet A Evans
Modernising Education Update	Councillor D Owens H W Griffiths
Royal International Pavilion Phase I <i>Way forward following feasibility study</i>	Councillor S Roberts T Hughes
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
APRIL 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Schools Admissions Policy	Councillor D Owens H W Griffiths

REPORT TITLE	REPORT LEAD MEMBER / AUTHOR
MAY 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Revised Homelessness Strategy & Appointment of Homelessness Champion – Deadlines for June	Councillor P A Dobb / P Quirk
Corporate Quarterly Performance Report	Councillor P J Marfleet J Williams
JUNE 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Final Revenue Accounts 2005-2006	Councillor P J Marfleet R Parry
Amendments to Travelling and Subsistence	Councillor P J Marfleet A Evans
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Single Education Plan – to be adopted by Council July 2006	Councillor D Owens H Griffiths
JULY 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
AUGUST 2006 ~ NO MEETINGS	
SEPTEMBER 2006 ~ 1ST MEETING	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Modernising Education Update	Councillor D Owens H W Griffiths
SEPTEMBER 2006 ~ 2ND MEETING	
Revenue Budget Monitoring Report 2006-2007 [including	Councillor P J Marfleet

REPORT TITLE	REPORT LEAD MEMBER / AUTHOR
Procurement] <i>Provides an update of the Revenue Budget position for 2005-2006</i>	R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Annual Treasury Report	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
OCTOBER 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
NOVEMBER 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
DECEMBER 2006	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
JANUARY 2007	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
FEBRUARY 2007	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for</i>	Councillor P J Marfleet R Parry

REPORT TITLE	REPORT LEAD MEMBER / AUTHOR
<i>2006-2007</i>	
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
MARCH 2007	
Revenue Budget Monitoring Report 2006-2007 [including Procurement] <i>Provides an update of the Revenue Budget position for 2006-2007</i>	Councillor P J Marfleet R Parry
Capital Plan <i>Capital 2006-2007</i>	Councillor P J Marfleet R Parry
Housing Revenue Account Budget <i>Sets out the latest financial forecast position of the Housing Revenue Account</i>	Councillor P A Dobb / P Quirk
Modernising Education Update	Councillor D Owens H W Griffiths